



Christmas Number

THE CHINA WEEKLY REVIEW

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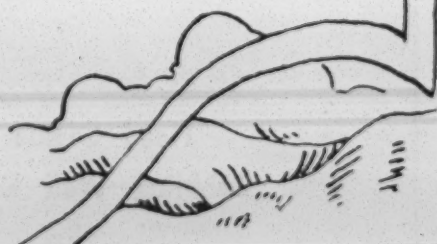


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The Chinese Language in Fifty Ten-Minute Lessons:
(Lesson No. 49) *By Prof. W. A. Scharffenberg*

SATURDAY, DECEMBER 19, 1931

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VOL. 59, NUMBER 3.



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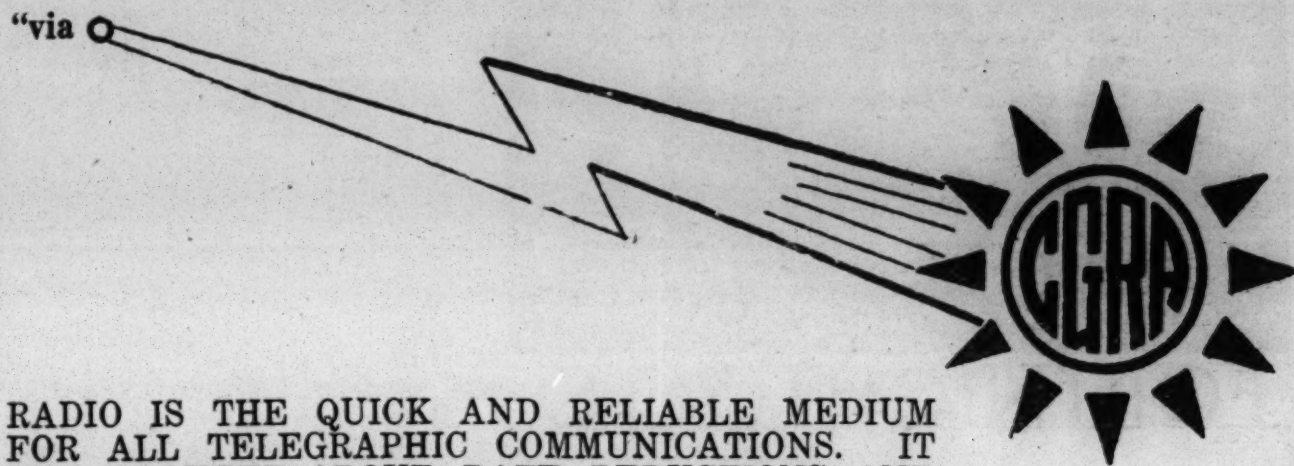


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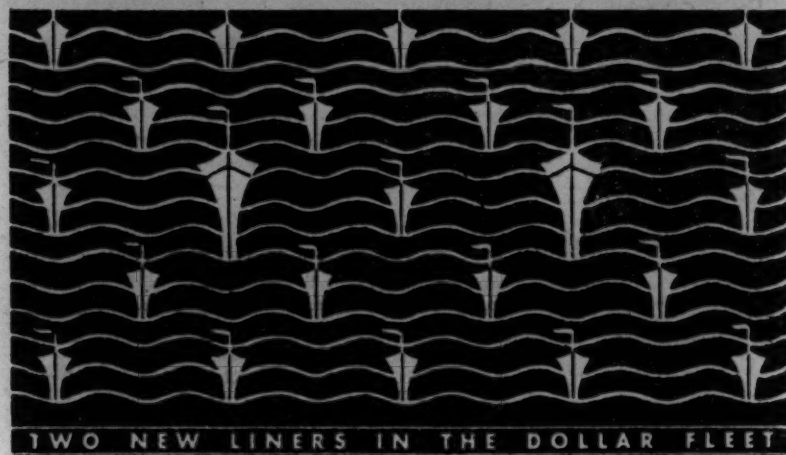
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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

The China Weekly Review
Wishes All Its Readers
A Merry Christmas
and
A Happy New Year

A CHANGE OF CABINETS IN JAPAN

A CHANGE over from the Minseito Party to the Seiyukai Party has been made in Japan. On December 11 Baron Reijiro Wakatsuki, of the Minseito Party, resigned after having been in office since April 14 last. The resignation followed the attempt of Kenzo Adachi, the former Home Minister to achieve the formation of a Coalition Government. The entire Seiyukai Cabinet went out of office and the following day Tsuyoshi Inukai accepted the post of Prime Minister and immediately a new Cabinet composed of members of the Seiyukai Party was formed. Temporarily the office of Minister of Foreign Affairs is in abeyance, owing to the fact that the expected eventual appointee is in a foreign country. This important position, from all appearances, is to go to Mr. Yoshizawa, Japanese Ambassador to France, who as the chief of the Japanese delegation at Geneva and Paris handled the presentation of Japan's case regarding Manchuria before the League of Nations. Mr. Yoshizawa is expected back in Japan in the near future. It was at first announced that the newly appointed Minister for Education, Mr. Hatoyama, would carry out the duties of Foreign Secretary in addition to those of head of the Education Department, but it was later learned that the new Premier will, for the time being, also look after Foreign affairs. Mr. Yoshizawa is Prime Minister Inukai's son-in-law, and although his appointment may be partly ascribed to personal grounds, it is evident that his appointment will mean that the new Government will not change the policy to be followed as regards Manchuria. Present indications are that, if anything, the Manchurian policy of Baron Wakatsuki and Baron Shidehara will be strengthened.

The following are the members of the new Japanese cabinet:

Premier	Tsuyoshi Inukai
	(concurrently Foreign Minister)
Foreign Office	Probably M. Yoshizawa
Home Office	Tokugoro Nakahashi
Finance	Korekiyo Takahashi
War	General Araki
Navy	Admiral Osumi
Justice	Kizaburo Suzuki
Education	Ichiro Hatoyama
Agriculture and Forestry	Teijiro Yamamoto
Commerce and Industry	Yonezo Mayeda
Railways	Takejiro Tokonami
Overseas Affairs	Toyosuke Hata
Communications	Chuzo Mizuchi

The principal reason for the downfall of the old Cabinet was finance. Japan's financial situation is much like that of England's. It is a small Island Kingdom dependent on larger continental and distant areas for the trade that will earn subsistence for its inhabitants. During the past year neither the volume nor the balance of that trade has been favorable to Japan. Like England it has huge debts abroad, and during the past few months the creditors were losing confidence. Japan was not able to pay in goods, and gold was demanded. The old Ministry tried to honor Japan's gold commitments, and during the past few months of its existence allowed more than three hundred million yen's worth of gold (half that sum in American dollars) to be shipped out of the country. One of the first acts of the new Government was to put an embargo on the export of gold. This has had the same effect, inevitably, as in England, namely, a sharp depreciation in Japan's paper currency. It is now almost a foregone conclusion that Japan will go off the gold standard entirely.

MUZZLING THE PRESS IN THE FRENCH CONCESSION

AN EXTRAORDINARY situation has been created in the French Concession of Shanghai by an Ordinance promulgated by M. E. Koechlin, Consul General for France, and published in the *Bulletin Municipal*, the official organ of the French Concession, December 11. The "teeth" in the ordinance are contained in the stipulation that no publication of any kind shall be published or sold in the French Concession of Shanghai without permission in writing from the French Consul General. There are not a few subscribers of *The Review* in the French Concession and one of these days when something appears in these columns about vice conditions in the once ultra-respectable French Concession that the French Consul General doesn't like he may even attempt to stop the postal employees from carrying this American journal to its subscribers. Certainly he will, under the new ordinance, have power to stop the sale of the paper. Undoubtedly the Ordinance is mainly aimed at the suppression of criticism in the French language, and rather strong attacks have been made on existing conditions by several local French journals of the "mosquito" type. It is unfortunate that some of these attacks are not made with the best of motives, but it is more unfortunate that conditions exist in the French Concession which warrant such attacks being made. Certainly, in France itself no attempt to suppress the liberty of the press as is attempted by the French Consul General in Shanghai could

succeed for a moment, but we are informed that the regulations which govern the French Concession go back to the days of the Empire, and that the liberal laws of the French Republic have not yet penetrated the benighted French Concession of Shanghai. If the French Consul General can "get away with" anything of this sort it means that he can practically stifle all criticism of the existing regime, particularly in the French language, for practically the only clientele which a French journal can find in Shanghai is to be found in the French Concession. That certainly would be unfortunate, for if there is one place in this world the administration of which is open to much criticism it certainly is the French Concession. Luckily for the peace of mind of the ruling clique of the Concession, the Hangchow Conference this year was something of a fizzle or else the world would have been enlightened on French Concession conditions in a way that would have been startling.

A translation of the text of the new Ordinance follows:

(1) Ordinance of No. 33, of May 17, 1926, is hereby abrogated and replaced by the following provisions:—

(2) No periodical, journal nor review shall be published or sold in the French Concession without permission in writing from the French Consul-General.

No establishment shall be created for the publication or distribution of the said journals without the permission in writing of the French Consul-General.

(3) In order to obtain permission in accordance with article II, a request shall be addressed directly France. This request shall indicate clearly the object in view, the person who will benefit under the permit by the person interested, to the Consul-General for and who will be responsible for the use made of it.

The Articles of the publishing firm, if there are any, shall be deposited at the same time as the request on pain of a rejection of the request, or withdrawal of the permit.

(4) If the permit is granted no journal or review shall be put into circulation unless a sample copy has been first deposited with the French Police and the French Consulate-General.

(5) In the event of an infringement of Art. II (1) the editors, sellers and distributors, and in the event of an infringement of Art. II (2) the directors or managers of the establishment will be prosecuted by the Directors of the Police and Surety Services in the tribunals before which they are justiciable. The closing of the establishment, in addition, may be declared by the Consul-General.

(6) The permit contemplated by Article II shall prove no obstacle to the prosecution of the holder of the permit, the author and, if need be, the printer of any work contrary to public peace and good order.

(7) The present ordinance will come into force on the date of its publication.

(8) The Chief of the Police and Surety Services is entrusted with the execution of this present ordinance.

DISORDER ATTENDS WEST GATE MASS MEETING

IT is one of the unfortunate incidentals to many a perfectly legal and orderly meeting of protest against existing conditions that rowdy elements take advantage of the situation to cause material destruction, thereby bringing the whole movement into disrepute. It is for this reason that the leaders of any popular movement should be all the more careful to see that such disorderly elements are neither encouraged nor incited to engage in such destructive operations. Many a strike in many a country which has started peaceably, and with justice on the side of the workers, has been lost because public

sympathy was estranged from the workers' cause because of violence and disorder, frequently the work of outsiders, and many a political movement has likewise been wrecked for similar reasons. An example of such a perfectly orderly gathering when it first started being turned into a destructive riot occurred at the Public Recreation Ground in the Chinese City of Shanghai on Sunday December 13, when a peaceable mass meeting assembled at about two o'clock in the afternoon. More than five hundred representatives from several middle schools, the association of returned students from Japan, and many other commercial and industrial bodies were present. Speeches were made by the chairman of the Federation of National Salvation Organizations and resolutions were passed urging a general strike in Shanghai, the recovery of Manchuria from Japan, dismissal of Dr. Alfred Sze (representative at the League of Nations) and of Dr. Wellington Koo, (the recently appointed Acting Minister), advocating the withdrawal of China from the League, and so on. In the meantime a large number of rowdy characters assembled and pretty soon an incipient riot was in progress. Several streetcars, most of them the property of the Chinese Tramways, but at least one belonging to the French Tramways, were badly damaged, and attacks were also made on the Nantao buses. One of the victims was a Chinese bride who was pulled out of her decorated carriage and stripped of her valuables. A Chinese police officer on duty in the vicinity was kidnapped by the mob, but was released when reinforcements came from the Central Bureau of Public Safety. Altogether fifty civic bodies had participated in the mass meeting, but the net result was a riot, which brought out extra patrols not only from the Chinese City Police but also from the French Concession and the International Settlement. It therefore becomes a question for the organizers of such demonstrations to consider whether they are helping their objects by holding these demonstrations. If they are able to hold their meetings without incidental disorder, undoubtedly they would be able to carry public opinion with them. But if disorders such as this are a necessary incidental to such demonstrations the almost inevitable effect will be to alienate public sympathy, and without that, little can be accomplished.

JAPAN REIMPOSES THE GOLD EXPORT BAN

AS HAD been foreshadowed for some weeks past, one of the first acts of the new Japanese Government was to reimpose the ban on the export of gold. The old Wakatsuki Ministry held on as long as it could and bravely tried to keep Japan's paper currency on a par with gold, but the burden eventually became too great. The Wakatsuki Ministry, among other things, found itself unable to balance its budget, and it had already pledged itself not to increase taxation. When, on top of this, the trade of Japan suffered a severe blow as a result of the Chinese boycott incidental to the Manchurian adventure, to which the Indian tariffs and the British sterling debacle also contributed, it was inevitable that the Wakatsuki Ministry had to go. The

natural result of Japan discontinuing to pay gold to meet its foreign obligations was to seriously depress the value of the yen. Just as was the case in England when several months ago the British government announced that it would no longer pay gold in exchange for paper pounds, a temporary spurt to trade has been given. The telegrams refer to it as a "boom," prices of shares "rocketing to the skies," and so on. One of the first effects was that the Tokyo Stock Exchange suspended operations for several days. Japan's premier bank, the Yokohama Specie Bank, during the first few days after the imposition of the gold ban, decided not to quote any exchange rates at all, and for the time being at least everything in Japanese commercial and financial circles is topsy turvy. At the moment a temporary fillip has been given to Japanese foreign trade, just as was the case in England. This would seem to indicate that it is a "good thing" for a country to cease meeting its obligations in gold and particularly "good" for trade. But this is not any more true than to say that a fever is good for a person who is sick. That is as good an analogy as any. Japan is at present an example of a country which is in a "sick" state commercially and financially. By cheapening the yen, worked out in terms of foreign currencies, Japanese prices for goods have become low. The result is a "feverish" demand for Japanese goods, and the whole populace imagines that "times have become good" because the yen has become cheap. But this happy state of affairs can only last for several months. By that time the stocks which have been bought with the yen at par will have become mostly exhausted, and the sellers who thought they were enjoying great prosperity will find that when they come to replenish their stocks they will have to buy them with their depreciated yen. It is then that they will realize that they have been inveigled into parting with their goods under conditions which in the end have brought them a loss. The fact should not be lost sight of either that all the savings of the Japanese people in banks, all those who have funds due them, in other words all creditors, have been made to suffer a great loss as a result of the decision of the Japanese government to prohibit the free movement of gold, and the indications are that this is but the beginning of a steady decline in the value of Japan's circulating medium.

In the meantime China with its silver standard has one more example of the fact that its road to financial salvation does not lie in the adoption of the gold standard, at least not in the near future. If highly organized States such as Great Britain and Japan can not live up to their gold obligations, how could China possibly expect to do so?

LEAGUE COUNCIL ENDS ITS DELIBERATIONS

THE Council of the League of Nations ended its deliberations on the Manchurian question at a public meeting in Paris on the afternoon of December 10, after having been in session for almost a month. No better example of a mountain being in labor and bringing forth a mouse has ever been presented. The net re-

China's Reservations to League Resolution

Before the Council of the League of Nations ended its deliberations on the Manchurian question in Paris December 10, it was announced that unanimous acceptance of the League Resolutions had been obtained. What the exact form of the Resolution as it was finally passed was not made quite clear in the telegrams from Paris and, owing to the disjointed way in which the news of previous meetings came along, it is almost impossible to make an intelligent summary of it. However, its general tenor may be judged from the following list of observations and reservations to same made by Dr. Sao-ke Alfred Sze, the Chief Chinese delegate. As matters stand the League's resolution is practically innocuous.

(1) China reserves all the rights and remedies in the juridical provisions to which she is entitled by virtue of the covenant of the league, existing treaties and international law.

(2) The present arrangement evidenced by the resolution and M. Briand's statement is regarded as a practical measure embodying four essential interdependent elements:

- (a) The immediate cessation of hostilities;
- (b) Liquidation of the Japanese occupation of Manchuria in the shortest possible time;
- (c) Neutral observations reporting all developments from now on and
- (d) A comprehensive enquiry into the entire Manchurian situation on the spot by a commission appointed by the council.

(3) China insists and expects that the commission provided by the resolution will make it its first duty to enquire into and report with recommendations on the withdrawal of the Japanese forces, if the withdrawal has not been completed when the commission arrives in Manchuria.

(4) China assumed that the arrangement will not directly or by implication affect the question of reparations for damages to China and her nationals arising from the recent events in Manchuria.

(5) In accepting the resolution China appreciates the efforts of the council to prevent further fighting and bloodshed by enjoining both China and Japan to avoid any initiative leading to further fighting or to any action likely to aggravate the situation. It must be clearly pointed out that this injunction should not be violated under the pretext of lawlessness caused by the state of affairs which the resolution purposes to eliminate. It will be observed that there is much lawlessness in Manchuria occasioned by the invasion of Japanese forces. The only way to restore normal life is to hasten the withdrawal of the Japanese troops. China cannot tolerate the invasion or occupation of her territory by troops of any foreign country, nor usurp the police function of the Chinese authorities.

(6) China notes with satisfaction the purpose to continue to improve the present system of neutral observes and reporting by representatives of other powers.

(7) It should be understood that in agreeing to the resolution providing for the withdrawal of the Japanese troops into the railway zone, China in no way recedes from the position she has always taken in respect to the maintenance of military forces in the railway zone.

(8) China would regard any Japanese attempt to bring about political complications affecting China's territorial and administrative integrity (such as the promoting of so-called independence movements and the using of disturbing elements for this purpose) as an obvious violation of the undertaking.

sult, for all practical purposes, of what the League has accomplished is that a "comprehensive enquiry into the entire Manchurian situation on the spot by a commission appointed by the Council" is to be made. A drafting committee busied itself for several days after the concluding meetings of the League discussing details connected with the commission of enquiry. The present indications are that it will be a long time before the Commission of Enquiry will reach its destination. It is to be borne in mind that both Japan and China must agree to the personnel of the committee and this opens many possibilities of delay. As an example it may be mentioned that Germany intended to appoint as its delegate Herr Solf. This immediately brought an objection from China. In the meantime there are indications that the Japanese will do their utmost to attempt to coerce the Chinese into entering into direct negotiations on the five points brought up by Mr. Yoshizawa at the last Geneva session of the Council, but which the Chinese found unacceptable, as they required China's acceptance of the Japanese version of all treaties and agreements as a preliminary condition to Japan's evacuation of Manchuria.

EXODUS OF A SHIPLOAD OF CHINESE FROM JAPAN

NO BETTER commentary on the industrial depression in Japan can be cited than the fact that a ship was specially chartered by the Chinese Ministry of Communications to bring back to China more than a thousand Chinese in Japan who had been caught in the Japanese industrial depression. The steamer *Hsinming*, belonging to the China Merchants Steam Navigation fleet, arrived in Shanghai on the morning of December 13, bringing between twelve and thirteen hundred Chinese laborers and shopkeepers who had been picked up at the ports of Kobe and Yokohama. The Manchurian imbroglio had little to do with the exodus of these Chinese from the Island Kingdom—nothing except in so far as the Manchurian adventure has contributed to accentuate the industrial depression in Japan.

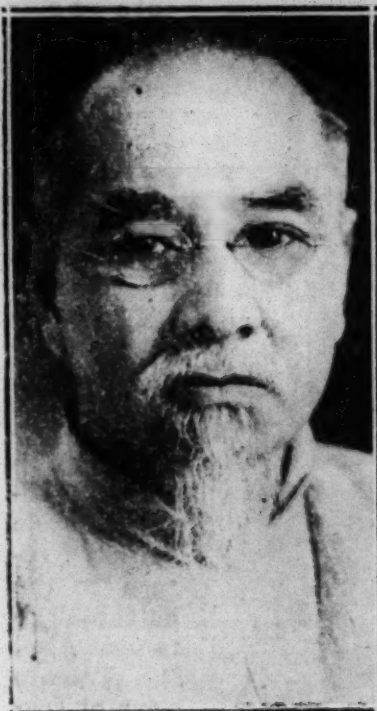
The decision of the Chinese Government to send a ship to Japan in order to bring back these stranded sons of Han was reached after many telegrams had been received in Nanking during the past few months from the Chinese Legation in Tokyo drawing attention to the sad plight of the unemployed Chinese in various Japanese cities. The *Hsinming* was selected for the trip as said ship had made a previous voyage to Yokohama, and in order that the significance of this statement may not be lost on the reader it is here mentioned that no Chinese ship has called at that port for eight years, and that was when this same vessel, the *Hsinming*, called there in 1923, carrying food and clothing for the relief of Chinese who suffered in the Japanese earthquake of that year. Prior to the Japanese earthquake in 1923, the *Hsinming* made her first voyage to Yokohama when she was chartered by the Government to bring back a coffin containing the remains of a Chinese general who died in Japan. So the *Hsinming's* recent visit to Yokohama was the third one. A ship of 1,600 tons, the *Hsin-*

ming was commanded by Capt. C. C. Ma. All members of her crew are Chinese, the chief of-

ficer being Y. C. Tsien and the second officer, S. K. Chu.

General Chiang Kai-shek Resigns All Posts

AMIDST the clamorous and rowdy demonstrations of hundreds of students outside the Foreign Office at Nanking, announcement was made at Nanking December 15 that General Chiang Kai-shek, Chairman of the Chinese National Government since October 1928, had resigned from all his posts. While the question of General Chiang's resignation was being considered the students outside, shouting slogans and jeering, became so boisterous that the army authorities began to fire over their heads. Shots were also fired by the students. General Chen Ming-shu, 19th Route Army Commander, was assaulted and slightly injured by the student crowds when he attempted to explain to them



Mr. Lin Sen, Temporary Successor to General Chiang Kai-shek as Chairman of the Executive Yuan.

that General Chiang could not appear personally before them. Tsai Yuan-pei, one of the leading figures in the Kuomintang, and the principal Nanking negotiator for peace with Canton, was severely beaten by a band of students who dragged him from the conference room at the Central headquarters. Simultaneously with the resignation of General Chiang Kai-shek, Tai Chi-tao, Chairman of the Examination Yuan, Yu Yu-jen, Chairman of the Control Yuan, and Shao Yuan-chung, Vice-Chairman of the Legislative Yuan, also resigned.

At last reports General Chiang was remaining at Nanking to assist in the transfer of authority, after which it is indicated that he will retire for an extended rest at his native village at Fenghua, in Chekiang province. General Chiang's resignation, as announced, applies to all his posts, both administrative and military.

Lin Sen, the former Chairman of the Legislative Yuan, immediately assumed office as the Acting Chairman of the National Government. General Chen Ming-shu, who last April was deposed as the Provincial Governor of Kwangtung, at the same time assumed office as the Acting Chairman of the Executive Yuan, one of the posts formerly held by General Chiang Kai-shek. Lin Sen and General Chen Ming-shu despatched circular telegrams announcing the resignation of General Chiang Kai-shek, and its acceptance—at the same time announcing their own assumption

of office. In a circular telegram announcing his resignation General Chiang declared he was retiring to make possible the national unification of China; also in order to facilitate a solution of the diplomatic problems arising from the Sino-Japanese conflict in Manchuria. At the same time he declared his intention to continue to serve the Party and the Nation. General Chiang presided at an emergency meeting of the Central Executive Committee and subsequently at a meeting of the Central Political Council on the morning of December 16.

It is probable Lin Sen will remain at the head of the Provisional Government only temporarily—only until a complete reorganization of the Nanking Government is effected. With the elimination of General Chiang it was a foregone conclusion that the Southern delegates—Dr. Wu Chao-chu, Sun Fo, Eugene Chen, Li Wen-fan and Tsou Lu—who recently returned from Canton, would proceed to Nanking to take part in the government's reorganization.

The Fourth Central Executive Committee of the Kuomintang, elected jointly by the recent Nanking and Canton Fourth National Kuomintang Congress, is scheduled to convene in Nanking next week to discuss Governmental reorganization and to determine upon the permanent personnel of the new National Government.

Amidst the stirring events at Nanking the current developments in Manchuria were almost lost sight of. The indications at the time of going to press were that the Chinchow situation would be practically solved by Marshal Chang Hsueh-liang resigning as head of the Mukden government, his position being taken over by Tsang Shi-yi, former Civil Governor of Liaoning (Fengtien) province. Tsang received his training at the Tokyo Military Academy and is stated to be "friendly disposed towards Japan." In the meantime minor clashes have taken place in various parts of Manchuria, which have no bearing whatever on the general situation. Among such incidents there is to be recorded a clash which took place near Chuliuho, about 30 miles from Mukden, December 13, between a Japanese contingent and so-called "irregulars," when two Japanese soldiers were killed and one seriously wounded.

Shanghai Students Storm Trains, Proceed to Nanking

Defying the orders of General Chiang Kai-shek that no further free transportation was to be accorded to Chinese students wishing to proceed to Nanking for the purpose of staging demonstrations there, regular waves of students began to descend on the Shanghai north station of the Shanghai-Nanking railway during the early days of this week and demanded free transportation to the Capital. The railway administration refused their requests, under orders from Nanking, but that had little effect on the students. They simply flocked to the trains, and when the trains moved out of the station they were on board. Trains were delayed somewhat, but the net result was that the students had their way—they were getting a free ride to Nanking, and as it turned out eventually, also back to Shanghai.

Under the Japanese Flag in the Manchurian Capital

(Special Correspondence from Mukden, December 8)

THE city of Mukden has been a complete washout—socially speaking—from the standpoint of the foreign newspaper correspondents who gathered here for the Sino-Japanese fireworks. Covering the Sino-Russian conflict in North Manchuria two years ago was one-hundred percent more satisfactory as the correspondents on that occasion made their headquarters in Harbin, Mukden, under the jurisdiction of the "Young Marshal" had some social attractions, particularly when he staged one of his big parties in his country residence at Peiping, but since the Japanese occupation Mukden has been about as gay as a New England village. Several of the correspondents did manage to get to Harbin on

correspondents, but other foreign visitors as well who "make" this most northern Chinese metropolis.

But to get back to Mukden and its lack of gaiety, the city is, as stated, a complete washout. There are only two hotels worth mentioning in Mukden, one being the Yamato, which is owned and operated by the South Manchuria Railway and the other the Kaining, operated under Sino-German management. The Yamato is modern but puritanical due chiefly to the fact that the Japanese are totally lacking in a sense of humor and take their enjoyment in spartan fashion. A Japanese idea of a riotous evening is to sit in a

tea or geisha-house and drink sake or beer while doll-like maidens sing unintelligible songs and occasionally dance to the tune of a three-stringed fiddle. The experience loses its novelty after the tenth party, following which there is nothing to do except return to the hotel and go to bed. Also, the Yamato elevator ceases running at 11 o'clock, which necessitates a climb up several flights



Foreign correspondents on the Tsitsihar Front where the weather ranged from 10 to 20 degrees below zero. Those in the picture are (left to right) R. Sweetland, *Chicago Daily News*; two Japanese correspondents representing the *Osaka Mainichi*, who snapped the picture; Frederick Kuh, special correspondent for the *United Press*, transferred to Manchuria from Berlin; Johannes G. Vos, American missionary connected with the Reformed Presbyterian Church, stationed at Tsitsihar, who served as interpreter; J. B. Powell, *Chicago Tribune*. The picture was taken in front of the Japanese Army Headquarters, occupied at that time by Gen. Tamon.

one or two occasions during the battle between the Japanese forces and Gen. Ma along the Nonni River, but they had no time to participate in the famed night-life of that city. They had to rush on through to Anganchi on the C. E. R. and then entrain for Tsitsihar which is about twenty miles north of the railway. The weather ranged from ten to twenty degrees below zero hence there was no unnecessary loitering in that frigid atmosphere. The only consolation was the thought that they might get back to Harbin for a "talkie" or perhaps a "quiet" evening in the Fantasia, but when they got back to Harbin telegrams were awaiting with the news that 'ell had broken out at Chinchow. The result was that Harbin and its bright-lights were a complete loss and the correspondents were spared the perplexities of trying to include unusual items in their expense accounts—a perplexity which not only confronts

of stairs, an arduous exercise after a riotous evening consisting of sake, beer and geishas—or geishas, beer and sake. Mukden boasts of only one cabaret, the Parisian, located in the Japanese concession. Herein one finds four or five dancing-partners who apparently came out of Russia with Koltchak's army, or perhaps at an earlier date. Their English vocabulary consists of one phrase, "Ni piena miya," meaning "I don't understand." Aside from the Yamato and its grill room where the menu was not changed from September 18 to December 15, there are only three other cafes in Mukden, two being Russian and the other run by a Russo-German or a Germa-Russian. The latter is known as the Oriental where reasonably good food was available. The manager was alleged to have changed his prices from Mukden depreciated dollars to Yen immediately after he heard that

the American correspondents had arrived. The proprietor of the Oriental, is a radio fan who nightly listens in on programs broadcasted from Moscow, Berlin, Paris, Tokyo, Manila, Saigon and Bangkok. One night he claimed to have heard a speech broadcasted from the Soviet station at Habarovsk wherein Gen. Blucher (Gen. Galen) threw down the gauntlet to the Japanese army and declared that Japan's advance into North Manchuria meant the beginning of another world war. One of the correspondents wired a story about it and it went around the world and back to Moscow where it was announced that Gen. Blucher (or Galen) was ill in a hospital, hence unable to broadcast. The whole thing was a fake, but it accomplished one purpose—it allegedly caused the *Associated Press* to send its Tokyo correspondent to Manchuria and the *United Press* to send its Berlin correspondent on a similar journey. The correspondent who cabled the original story represented *Hearst*, hence the whole thing may have been a deep communist plot.

The Imperial Japanese Government, in due course, probably will hand out war-medals to those who did good service for the empire in the Manchurian "war," hence while the subject is fresh in mind we desire to recommend an A-1 medal for one Japanese officer, Major R. Watari, whose picture appears herewith. Major Watari is a retired officer who received his education and English accent at Oxford. Prior to the beginning of the present war, Major Watari was connected with the propaganda section of the S. M. R., but when the war broke out he returned to the army and was attached to Gen. Honjo's headquarters in Mukden. His name under the pseudonym of "Spokesman" probably has appeared in more newspapers over the world in recent weeks than that of any other Japanese. Major Watari's duty

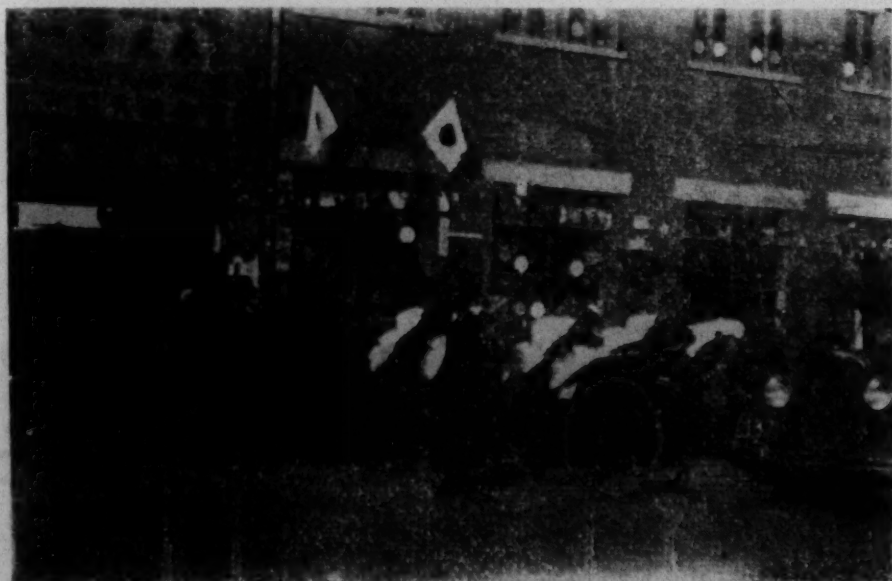


One of the Japanese-protected gambling and opium-smoking joints recently opened in Mukden by the new Chinese Mayor, Chao Chin-pao. All the resorts have Japanese flags in front, but this one also contains a number of smaller paper flags of other nations, including the United States.

was to meet the newspaper correspondents twice daily "in the small room just off the bar at the Yamato hotel." The room is small in the sense that it is long and narrow and is notable from two standpoints: it contains a full-length oil painting of a Chinese woman. The other notable feature about the room was its extreme coldness, generally regarded as a diabolical Japanese trick as it often necessitated the ordering of "warming" drinks from the nearby Yamato bar. But to get back to Major Watari, he had the most difficult job of all the Japanese officers connected with the Japanese expedition. He didn't have to get out in the cold and fight the Chinese, but he had to fight the foreign correspondents, a much more difficult job, due to the fact that he handed out the official communiques from Gen. Honjo's headquarters, and then had to stand responsibility for the reports when they failed to "go over" properly or in the event they "back-fired" and caused a wrong impression abroad. One day the correspondents were pressing Maj. Watari for a definite statement regarding the exact number of Japanese troops that had participated in a certain expedition after Chinese soldiers (or irregulars or bandits). Watari refused to state the exact number, giving as an excuse that the "bandits" might find out the strength of the Japanese troops. One of the correspondents inquired, "Do you mean Chicago bandits, Major?"

For the interest of those who followed the news from Mukden, here is a topical report from Gen. Honjo's headquarters as issued by the official spokesman, this one being dated December 2 (morning):

Tsitsihar Front—Japanese airplanes reconnoitering in Tsitsihar vicinity report Chinese General Hsu Pao-ching continuing his advance on Tsitsihar with 3,000 troops.... Chinese recruiting fresh troops at Pai-Ching in Tsitsihar vicinity.... Area within 20-li of Tsitsihar over-run



Another Japanese-protected gambling and opium-smoking joint, of which sixty were opened in Mukden in the first week of December. Some idea of the crowd inside may be gained by the number of rickshas waiting outside.



Scene of winter desolation on the Tsitsihar front—ruins of a Chinese home that got in the line of battle and was badly damaged in the fighting between the Japanese and Chinese troops south of the C. E. R.

by Chinese bandits... Chinese military strength at Tsitsihar area thought 20,000... Wan Fu-lin in Peiping wired Ma Chan-shan to recover Tsitsihar at all costs.

Chinchow District—Japanese investigation in Chinchow area shows Chinese military strength along Peiping-Mukden line, including Yingkow-Kuopanze line as follows: East of Ta-Ling-Ho, two infantry brigades, one cavalry brigade, one artillery brigade and three or four armored trains with some 20 trains loaded with troops standing on the tracks. South of Kuopanze—one anti-aircraft gun being placed in position.

Anganchi (C.E.R.) Front—Many Chinese irregulars in evidence.

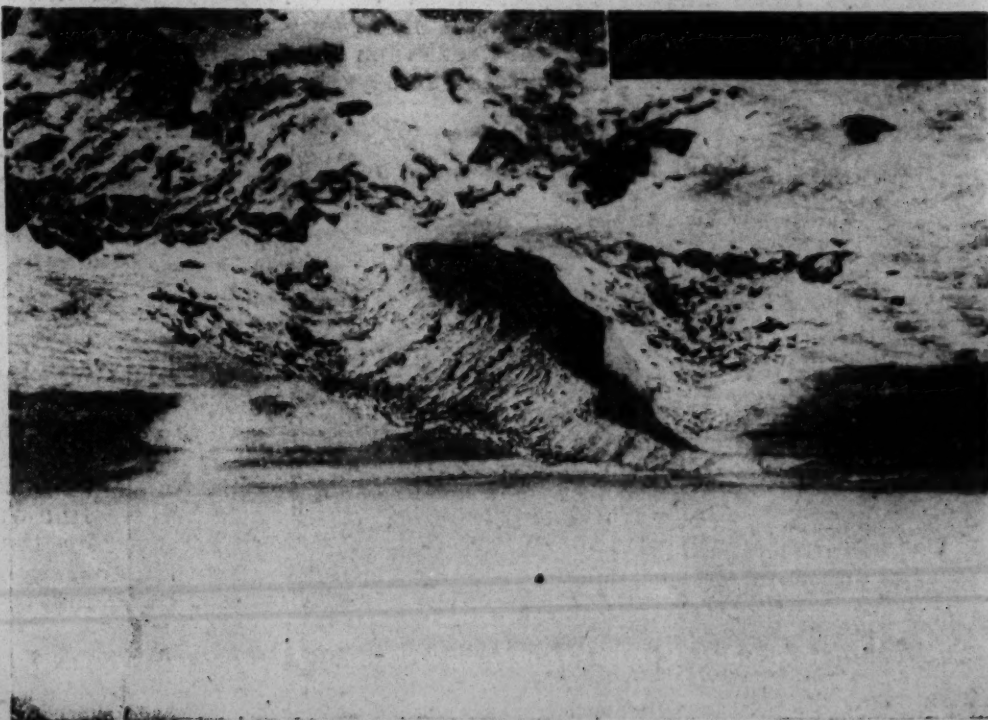
Mukden Area—Chang Hsueh-liang's partizans numbering 100 reported marching in direction of Mukden from Hsi-Foo-Ssu district—clashed with Japanese police, casualties unstated. . . . Telegram from Ssuningkai reports 1,000 Chinese cavalry, formerly under Gen. Ma, fighting with Gen. Chang Hai-peng's troops 25 miles from Tailai; Chang Hai-peng rushing up reinforcements, etc., etc., etc., etc.

Whether reports such as the foregoing were based on facts or were being put out from Honjo's headquarters for a special purpose, no one had any way of knowing. Often it was suspected that they were being issued for a special purpose—to cover a new Japanese advance or concentration at some particular place, or to let the gentlemen at Geneva know that the Japanese troops could not be withdrawn within the S.M.R. zone. However, the foreign correspondents, most of whom had reached the age of discretion, soon learned to sift the facts from the misinformation and wrote their

reports accordingly. None blamed Maj. Watari personally as all knew that he was working for H. Q. and had to follow his instructions. Often, after he had announced the official report, he would amplify "unofficially" and thus supply further information necessary for writing an intelligible cable. Once after announcing a large concentration of Chinese troops along the Peiping-Mukden railway, one of the officials of that railway reported that he had traveled along the line from Mukden to Chinchow and had not observed any Chinese soldiers. Maj. Watari came back at the next session armed with his mimeographed map showing the exact numbers, regimental designations and locations of the Chinese troops. When

asked how he obtained the information, the Major explained it was based on reports of the Japanese intelligence service, plus airplane reconnaissance. On another occasion the Major produced a so-called "bandit-map" of Manchuria showing the exact locations, numbers and names of leaders of Chinese bandit-gangs. This also was allegedly based on Japanese military intelligence reports.

As stated in the foregoing, while the correspondents often were impatient (disgusted is a better word) at the official Japanese reports, they harbored little personal animosity toward Maj. Watari, who they realized was merely carrying



Where Jack-Frost rules—Snow covered communication trench used by Gen. Ma Chan-shan prior to his retreat from the Nonni River. This picture was taken by the Japanese Army following the occupation of Gen. Ma's positions.

out orders from H. Q. Before the correspondents departed from Mukden they raised a fund and presented the Major with a handsome silver cigarette box containing the names of all who had assisted in covering the "Manchuria War," for newspapers in all parts of the world. Major Watari is a member of a notable Japanese military family. He has eight or ten brothers, most of whom are in the army and some of whom are high officers attached to the present expedition. He has a son five years of age and when one of the correspondents asked the little boy what he intended to do when he grew up, he straightened up stiff as a ram-rod, saluted and announced his intention of becoming an army officer.

The official Japanese military reports issued from Gen. Honjo's headquarters at Mukden leads naturally to consideration of Japan's far-flung military intelligence service which has its ramifications throughout northeastern Asia including Manchuria, Mongolia and Siberia. No foreigner could ever expect to have anything more than



One of the trenches constructed by Gen. Ma Chan-shan in the defense of his position south of the Chinese Eastern Railway at Nonni River. On the right may be seen a dug-out where Ma's troops protected themselves against Japanese air-bombs. The complete story of Japan's losses in this battle apparently is still to be told and when the full truth is known the losses probably will be much larger than announced from Gen. Honjo's headquarters at Mukden. For example, the *Osaka Mainichi* published a dispatch in its issue of Dec. 6 from Liaoyang, Manchuria, stating that a memorial service was held in that city on Dec. 4 "for 117 Japanese soldiers of a certain division who were killed in the clashes of the Tahsing-Tsitsihar region." The funeral service was attended by Governor Uchida of the S. M. R.

the slightest inkling into the extent of this service and one often wonders whether many Japanese outside of a few high officers on the General Staff have any real knowledge of the service. Since

Japanese military expenditures are not subject to detailed investigation and audit by the Japanese legislative body, there obviously can be no general knowledge of the extent of this branch of the Japanese military machine which functions all over the world but most intensively on the Asiatic continent and particularly in sections which the General Staff has staked out for conquest. In Shanghai there is the Tung-Wen College, which the Chinese call the Japanese "sky-college," the enrollment of which is recruited from the various prefectures in Japan. These boys are brought over to China at an early age and for several years are given intensive training in things Chinese under the direction of a retired Japanese army officer. They are taught Chinese language, history and geography (military geography) and in summer vacations the students, accompanied by instructors travel about



Japanese troops in winter attire on the Tsitsihar front. This picture was taken in one of the Chinese villages in the Tsitsihar region following the Japanese occupation and shows Chinese civilians as well as Japanese soldiers. However, the Japanese troops were not so warmly dressed when they first broke through Gen. Ma's lines and as a result some 500 were so badly frost-bitten that they had to be sent to the Mukden S. M. R. hospital for treatment. Although no official statement has been issued it was reported that large numbers of the Japanese troops had to have their hands and feet amputated because of their frozen condition. When the Japanese soldiers made their first drive on Tsitsihar they were attired in steel trench-helmets, about the coldest head-dress imaginable, resulting in frozen faces and ears.

the country making maps and investigating conditions. Upon graduation they are assigned to the Japanese consulates, military posts, police departments and occasionally with shipping companies and business firms. Since there are several hundred students constantly in attendance at Tung-Wen and the school has been



Major R. Watari, "spokesman" of the Japanese Kwantung Army Headquarters in Mukden whose reports to the press are referred to in the accompanying article.

inexistence for more than a quarter of a century there must be several thousand of these specially trained "super-spies" in the various branches of the Japanese intelligence service on Chinese soil. Then in addition to those trained at the Shanghai School, the Japanese military also finances the education of a large number of Japanese youths in a school in Harbin where they acquire the Russian language. These young men, after graduation work both in Manchuria and in eastern Siberia. In North Manchuria they operate under the direction of the so-called Japanese North Manchuria Military Mission, a mysterious institution which occupies a commodious building and is presided over by a Russian-speaking Japanese staff officer. In South Manchuria they operate under the orders of Chinese speaking Japanese military officers. Then in addition to the Japanese staff, the Japanese military service employs another small army of spies of other nationalities, including Chinese, Koreans and Russians (whites), as well as half-castes, that is mixtures of Sino-Japanese, Japanese-Korean and other combinations. As stated no foreigner can have anything more than a superficial knowledge of the extent of these services, but one observes them on all sides, many wearing Chinese clothes. They loiter about the hotels and tea houses, geisha houses and houses of prostitution, railway stations, post offices, steamship jetties, Chinese bureaus, etc., picking up odd bits of information for the Japanese military or police intelligence departments. The writer once accosted one of these men who was loitering about a hotel corridor late one evening. The man had been drinking. When asked what he was doing the man replied that he was collecting "news." He then explained that he had been assigned the job of watching the comings and goings of the foreign newspaper correspondents which included a detailed report

on their activities in the hotel. For example, one correspondent had ordered a bottle of beer. Another had telephoned a friend at the Oriental cafe. Two correspondents had ordered a motor car and departed on a "secret mission" late in the evening. A certain foreign consular official had entered the hotel and called on one of the correspondents. There was a note under this item stating they had locked the door of the room and held a "secret conference." Another correspondent, a Hearst representative, had written several letters which were given to a foreigner to carry to Peiping for posting. Finally, there was a notation about a correspondent representing a European paper, who had a lady visitor—but we pass on to other subjects!

Once the writer was taking a trip along the C. E. R. and asked a well-known foreign resident of Harbin for letters of introduction to his acquaintances in the various towns. The Harbin foreign resident complied, but added, "You will have to be careful what you say for most of them are working for the Japs." Truly it seems that almost everyone one meets in these parts is connected in some way with some branch of the Japanese espionage service. The door-man at the hotel, clerk at the desk, head-waiter in the hotel, chauffeur—everybody is reporting to the Japanese secret service. Sit in the lobby of the Yamato Hotel in Mukden for an hour, and observe a miscellaneous procession of curious personages, Japanese attired in Chinese clothes, Mongols, Chinese furtively glancing to each side and to the rear to see whether they are being followed—and all going up to some mysterious room where some spy-director or "master-mind" receives their reports and dispatches them off on some new mission of espionage or deviltry. No wonder the Manchurian pot keeps boiling with fresh "bandit" activities and atrocities "against the Japanese" reported daily to the foreign newspaper correspondents to be cabled abroad, the object being to create an impression of Manchuria in complete chaos requiring the permanent occupation of the Japanese army. Gen. Chiang Kai-shek cannot send a telegram or message anywhere without its contents being known in Honjo's office within a few hours. An American correspondent goes to Kirin to interview a Chinese to whom he has a letter of introduction. The interview takes place secretly in the home of an American missionary. The next day the home and office of the Chinese are searched by the Japanese military and the Chinese forced to flee the town. Never since the world began did one nation lay deeper plans for the despoiling of its neighbor.

A few days ago the writer of these paragraphs called on Mukden's new Chinese Mayor, Chao Ching-po—once an actor in Peiping who, according to the story eloped to Japan with the concubine of a high Chinese official. After long residence and the acquiring of the smatterings of a legal education in Japan, Chao returned to Mukden and through Japanese influence got himself appointed a sort of legal adviser to the late Marshal Chang Tso-ling. Now he is Mayor of Mukden, taking the orders of Generals Honjo and Doihara. When the writer, accompanied by another correspondent, called at the Mayor's office they were ushered into a reception room for an hour's wait "while the interpreter was finishing

his tiffin." Finally the interpreter arrived, one Kimpson Yu, who claimed to be an ex-diplomat and until recently a Shanghai lawyer. He explained that the Mayor was too busy with administrative affairs to talk to newspapermen, "but if the correspondents desired to ask any questions, he would be glad to answer them for the Mayor." During the course of the conversation some one opened the door to an adjoining room and immediately there was a sound of much Japanese conversation. "Who are the Japanese?" queried one of the correspondents, "Are they the Mayor's advisers?" "No," replied Mr. Yu, "The Mayor has no Japanese advisers—they are all employees of the municipal administration." There probably were more than a dozen Japanese in the room, all talking and laughing and acting in boisterous manner—and every one of them a particularly low class of Japanese similar to the class one meets in the lower class bars, cabarets and joints to be found in most Manchurian cities from Dairen to Mancouli. My correspondent friend remarked, "They look like the type of buccanneers and gun-runners who infested the ports of the Caribbean a century ago."

Some weeks ago a group of American correspondents attended the inauguration of the so-called Liaoning "Self-Government Administration." The aged Yuan Chin-kai, entirely surrounded by Japanese, read a short speech which was written in small characters on both sides of a piece of paper about 6-inches square. In the front row stood seven high Japanese military officers, including Honjo's chief-of-staff. Yu Chung-han, another aged Chinese, partner in a Japanese mining venture at Anshan, in appearance a walking-skeleton, also spoke briefly and bitterly about the late administration of the two Changs. A Japanese, wearing Chinese clothes stood in the rear and at the conclusion of each address, stooped down and furiously clapped his hands—paid *claque* par-excellence! The entire crowd didn't exceed 70 and more than half were Japanese and there wasn't a single Chinese in the audience under fifty years of age—many of them Manchus or ex-officials of the Manchu regime. All kept glancing furtively about and when a Japanese newspaper photographer exploded a flash-light, several nearly fainted, apparently thinking it was a bomb. Yuan Chin-kai, seeing the American newspaper correspondents, mentioned for them to come in and see him in his private office where he arranged a secret interview on the following day. At this interview, Mr. Yuan explained his reasons for taking the chairmanship of the so-called "Peace and Order" committee and the chairmanship of the Liaoning "Self-Government Office." "I did it to save the local situation and at the behest of local merchants and property owners, hoping to prevent complete chaos. But I am not a free agent. I am subject to Japanese military orders and if I did not obey their instructions I would be murdered." The interview obviously could not be cabled from Mukden, hence it was necessary to send it to Peiping by messenger from which place it was wired abroad. The next time a correspondent called on Mr. Yuan, he could not be seen privately and a Japanese "spokesman" sat in front of Mr. Yuan and answered all the questions. Mr. Yuan said not one single word but merely sat with folded hands and nodded his head. Of all the sad figures in Mukden, Yuan Chin-kai, 62-year old scholar of the Ching Dynasty and once gover-

nor of Heilungkiang and an official of the Chinese Eastern Railway, is the most pathetic. He has found himself so deeply involved in Japanese intrigue that he now probably wishes he had accepted the other alternative—execution at the hands of a Japanese firing squad.

While Mukden is dead commercially, with more than a quarter of its normal Chinese population of 400,000 fled to other parts, there recently has been activity in a new line of endeavor—the gambling and opium enterprise—heretofore unknown in this former Manchurian capital city. Within the first week of December there were opened in Mukden, some sixty open-commercialized gambling and opium smoking joints, the pictures of two of which are shown herewith. The writer visited several of the joints and found a large room where gambling was in progress, consisting of fan-tan and two other types of Chinese gambling games, in addition to mah-jongg and checkers. One game was played on an oblong table divided into three sections. The Chinese, chiefly of the coolie class, would place their money on one of the three sections which were numbered 1, 2 and 3. The operator of the game would then select a piece of seemingly blank paper from a pile in front of him and dip it in a bowl containing some kind of chemical. Immediately a number, 1, 2 or 3 would become visible on the paper and those having money on the corresponding spot on the table were declared winners. Along both sides of the large hall were smaller rooms fitted up for opium smoking purposes. The whole thing was operated openly with large signs indicating the opium smoking rooms with prices for "one-pipe," "two-pipes," etc. As shown in the accompanying pictures, the front of each of these gambling and opium-smoking dens, was graced with two Japanese flags flying from poles crossed before the doors. Usually there was a sign reading, "Japanese Business Club," or "Sino-Japanese Businessmen's Club." In addition to the Japanese flags in front of one of the joints there were a number of smaller colored paper flags of other countries, including an American flag. While one or two Japanese were observed in all the houses, no Japanese were observed playing, most of the customers being of the coolie class and the currency used was "feng-piao" having a value of \$1 silver for \$50 paper. Inquiry brought out the fact that the opening of the opium-gambling houses had been authorized by Mayor Chao Hsin-pao and that license fees ranging from \$15 to \$25 a day were being charged. All of the houses allegedly had Japanese official military protection. While Manchuria, particularly Jehol province, has a ways produced opium, this is the first time in many years that opium smoking has been permitted openly in the Manchurian capital. Marshal Chang Hsueh-liang not only suppressed opium smoking and gambling, but even closed all the dance-halls outside the Japanese Concession.

One of the most significant phases of the present Japanese adventure in Manchuria has been the success achieved by the Japanese military clan in completely suppressing all opposition among their own people. Foreign missionaries in Japan and Korea who are in daily contact with the masses of the people state there is a strong undercurrent of opposition to the present activities of the Japanese army on the Asiatic con-

continent, and forecast that this opposition may finally break out in violent form. But up to the present at least there has been no outward manifestation of opposition, the nation presenting a united "adamantine front," to borrow a frequently used term from the *Manchuria Daily News*, official organ of the S. M. R. and the military clique. There are many reasons for this strange situation, one of the most potent being an intensive long-continued propaganda campaign among the Japanese people, particularly school children, which has been sponsored and financed by the S. M. R. and the military group which is chiefly concerned with Manchurian affairs. Recently the Japanese have made much of the so-called anti-Japanese and anti-foreign teachings which appear in the Chinese text-books, but one imagines that the Chinese if they wished could make out an equally good case against the Japanese on the basis of what they teach the school children of Japan about Japan's so-called "special position" in Manchuria. For example it has been a policy of many years standing to bring Japanese school children from Japan proper to Manchuria on vacation excursions for the purpose of impressing them with the importance of Japan's "position" in Manchuria and the vital nature of that position from the standpoint of the welfare of Japan. Every year thousands of Japanese school children from Japan proper are taken throughout the S. M. R. zone and the Dairen leased territory and shown the battle-fields of the Russo-Japanese war, the historic monuments of dead and gone heroes, the shrines containing the remains of Japanese soldiers killed in that struggle. Also they are conducted over the enterprises of the S. M. R. such as the Fushun colliery, the oil-shale plant, the Anshan mines and steel plant and other enterprises and lectures delivered to them on the importance of these things to the welfare of Japan. The result has been the creation of a sort of Manchurian complex in the minds of the Japanese people that has facilitated the present military adventure due to the almost complete absence of any opposition—which would be publicly manifested in any other country.

Manchuria on the Stage in Japan

"The Manchurian Affair," written by the Japanese playwright, Matsui "Shoye," is now being staged at one of the best theatres in Tokyo, with the War Office's recommendation. The play begins with the murder of Captain Nakamura; the blowing up of the S. M. R. line by Chinese soldiers is also included. Fighting is represented as realistically as possible, together with the falling in battle of Captain Kuramoto, of the Japanese garrison at Kung-chuling. The audience always works itself up to a heat of enthusiasm when Mr. Yoshizawa, the Japanese delegate, stands up in the Council of the League to defend Japan's cause. Ichikawa Ennosuke, a young and able actor who leads the troupe, plays the role of the Japanese delegate, and when the memorable resolution fixing the date for the completion of the evacuation is about to be approved by all the other members, he rises and holds forth how evacuation is impossible, and declares that with Japan's dissentient voice, the resolution cannot be regarded as valid, the excited "fans" among the audience burst out into a boisterous cheering. The *Japan Chronicle* says the Shochiku Company, which runs the theatre, managed to scrape together foreign "extras" to play the roles of the delegates of twelve Western Powers. According to the *Jiji*, these foreigners who are not used to the footlights, are completely upset by the enthusiasm of the audience. They have approached Ennosuke asking if there is no personal danger to them, and expressing their doubts of the wisdom of appearing in roles far from agreeable to the Japanese audience. Ennosuke had to do his best to dissuade them from abandoning their roles.

Some Facts About the South Sea Islands

BY GOH KWAN NYI

Many Chinese know very little about their brothers and sisters who live in the South Seas. It will be interesting, I am sure, to many Chinese here to learn something in regard to the conditions in those remote places from a person, like myself, who has lived there for many years.

Many Chinese have never even heard about Sumatra, Java, Penang and Singapore. I have even come across several reputedly educated Chinese in Shanghai who apparently had never heard of these places, having probably forgotten the geography lessons that they learned in school.

Sumatra and Java

Sumatra and Java are colonial possessions of the Dutch Government. The capital of Sumatra is Medan; the capital of Java is Batavia. The former, unlike the latter, is still very much undeveloped and sparsely populated. During the last few years a great number of the natives from the neighboring island, Java, have settled in Sumatra. These Javanese emigrated to Sumatra as contract laborers. They work in various estates, producing coffee, rubber, cotton, coconuts, etc. Most of the police constables in Sumatra are Javanese, as also are the soldiers.

Java is densely populated, the Javanese being of course in the great majority. There is however a large population of Chinese, much larger than Dutch or other Europeans. Most of the Chinese earn their living as merchants. Many Javanese also have been turning to mercantile pursuits during the past few years. The natives of Java are much better off than the natives of Sumatra. Not only have they become merchants, but they are also owners of sugar plantations, rice fields, coffee plantations, rubber estates, etc.

Singapore Largely Peopled by Chinese

Singapore has a population of about 500,000. The Chinese population in this small island is about seventy percent of the total; there are also many Indians. Singapore is a British possession. The police force is officered by Britishers; Chinese, Indians, and Malays, comprise the rank and file. Some Chinese are also found in the police department, but their number is very small. The army detachments are composed of Britishers and Indians.

In the matter of education Singapore stands high, Java coming second. In Sumatra the great majority of the natives are illiterate. The Malays in Singapore are still very much behind in their education, but the natives of Java have made great strides in education in recent years. Many of them are working in Government offices, some of them having secured high Governmental posts. The Javanese are trying hard to gain their independence from the Dutch. There are Javanese professors, lawyers, doctors, and engineers by the thousands. But, poor Sumatra. Its natives cannot boast of having their sons and daughters educated like the Javanese. Recently several educated Javanese have gone to Sumatra and tried to awaken the Sumatrans.

Communication facilities are better in Java than in Sumatra. The trains in Java are better equipped and run faster than in Sumatra. Singapore can be proud of its roads. The roads in Singapore are better even than those in Shanghai. During the last three years tram cars have practically disappeared from the streets of Singapore. Tram cars are out of date; in Singapore one finds only trolley buses and motor buses, with rubber tyres, so that one can travel comfortably in these vehicles anywhere in Singapore within the municipal area.

Java and Singapore have rubber factories, oil mills, rice mills and lumber mills. Most of the big industries in these two places are in the hands either of Chinese or Europeans.

Tan Kah Kee in Singapore owns several big factories which manufacture rubber and leather shoes, motor tyres, hats and raincoats. He also owns pineapple canning establishments, and also intends to build a paper mill.

The Chinese in Java, Sumatra, and Singapore mostly come from the provinces of Kwangtung and Fukien, or are the descendants of natives of said provinces. The Chinese from Kwangtung, a great majority of them, after making their fortune, have a yearning to spend the rest of their lives in their homeland. Most of the Chinese from Fukien, however, have gone to settle permanently in said places. As a result there are more Fukien Chinese in the South Seas than Cantonese.

Shanghai, December 14, 1931.

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. A. SCHARFFENBERG

Lesson No. XLIX

ON GENERAL KNOWLEDGE OF CHINA

The student of the Chinese language should make it his business to acquaint himself with conditions in China. This may be done in different ways—through study of the language an opportunity is afforded the student to converse with the people. This in itself is one of the best ways of getting acquainted with the people, their ways, habits, customs, and philosophy of life. The second best plan is to follow a systematic course of reading. The five year course of study in the Chinese language requires the student to study thoroughly a minimum of three texts each year. The texts will vary with the students, but the general nature of each year's reading will be the same for all students.

In the first year the student will be made acquainted with a few of the most important problems that every newcomer will be confronted with on his arrival in China. In the second year his study will have to do with the social life of the Chinese people, in the third year with the history of China, in the fourth year with the religious life of the Chinese people, and in the fifth year with the literature of China.

Certainly a foreigner residing in China should know how to take care of himself, how to avoid misunderstandings and difficulties, due chiefly to a lack of common sense and knowledge of things Chinese. Shouldn't the foreigner know something of the customs of the people with whom he is working? He will save himself much trouble if he does. And should he not acquaint himself with the historical background of China's civilization and present relations with the Powers? The religious life of the Chinese is understood by but a few foreigners and the literature of China by still less. A knowledge of these matters will aid the foreign resident in China. It makes for better understanding between the races, and above all, it creates good will and respect for the people with whom he is working. A supervised course of study such as offered by the Home Study Institute will put you in touch with the best books of the day. Eventually you will study, why not now?

CHARACTER STUDY

無

241

Character No. 241 (無)
Without, not, none, nothing
Pronounced u

One authority claims that in the ancient form this character represented a warrior's chariot whose horses had strayed away into the woods and become lost. Hence the idea of a negative quantity.

論

242

Character No. 242 (論)
To discuss, to discourse, to reason, argue, consider.
Pronounced (I.P.S.) lūn (R.) lun
A combination of 言 words and 論 an orderly assembly, of documents. An excellent arrangement to represent the orderly array of ideas in order to make the thought stand out in a clear way.

數

243

Character No. 243 (數)
To count, a number, several.
Pronounced (I.P.S.) shu (R.) shu.
A combination of 支 to tap, and 數 troublesome or frequent. The first part evidently referred to the habit men have of checking off with their fingers as they count, while the second is said to represent women

that are enclosed in the women's section of the prison. Prison keepers maintain that women are the most idle, useless, and troublesome prisoners, and that frequent visits and orders must be given to this type of prisoners.

算

244

Character No. 245 (算)
To reckon, calculate, to plan
Pronounced suan

The union of 竹 bamboo out of which the abacus is generally made; 目 is said to be a picture of the abacus; and 手 the hands making on the abacus. Hence the idea of reckon.

量

245

Character No. 246 (量)

To measure, to consider.

Pronounced lian

To analyze this character is difficult. One Chinese etymologist says that the distance between the earth and the 日 sun has been found to be one Chinese 里 mile. Hence the idea of the measure.

VOCABULARY LIST

795. 無有 — Nothing, not to be.
796. 一無所得 — He did not secure a single one.
797. 無一不曉 — Nothing which he does not know.
798. 無一可用 — Useless, not one that can be used.
799. 無事 — No business, no trouble, peace.
800. 無事生事 — To make trouble out of nothing.
801. 無論 — It does not matter, it makes no difference.
802. 論定 — To settle, to decide after due discussion.
803. 平論 — To arbitrate.
804. 論人 — To talk about people.
805. 無數 — Innumerable, countless.
806. 數十 — Several tens.
807. 數一數 — To count.
808. 有定數 — A fixed number.
809. 難數 — Difficult to count.
810. 算數 — Mathematics, to reckon up as accounts.
811. 算學 — The modern term for mathematics, arithmetic
812. 數學 — Also meaning arithmetic or mathematics
813. 算不對 — To reckon inaccurately.
814. 上算 — Profitable.
815. 不上算 — Unable to make a profit.
816. 算起來 — To reckon up.
817. 算法 — The method of reckoning, arithmetic.
818. 打算 — To reckon, to calculate.
819. 算命 — To tell fortunes, to calculate destinies.
820. 量地 — To measure land.
821. 量一量 — To measure.
822. 算一算 — To reckon.
823. 數數看 — Count and seen.

SENTENCE WORK

516. 先生無一不曉 — There is nothing that the teacher does not know.
517. 那個話難信 — That statement is hard to believe.
518. 無論甚麼人說我不信 — It makes no difference who said it, I don't believe it.
519. 人的學問難算 — It is difficult to calculate a man's learning.
520. 用算學算起來不可 — It is impossible to reckon it in mathematics.
521. 學問是一個算不起 — Learning is something that cannot be counted.
522. 算命這一件事也不可以 — To tell the future is also an impossible thing.
523. 請先生明天回來我們就可以再說話 — Please come back tomorrow and we will talk some more.

READING LESSON No. XXIV

念課

第二十四課 俗話

- (一) 百事煩難
(二) 天下無難事, 怕的用心人
(三) 不怕慢, 只怕站
(四) 東耳進, 西耳出
(五) 在家千日好, 出外時時難
(六) 見甚麼人, 說甚麼話
(七) 一門不到, 一門黑
(八) 人算不如天算
(九) 識字不多, 用字不錯
(十) 下山容易, 上山難

Christmas, 1931, Finds a World in Chains—Some Suggested Remedies

BY GEO. W. MISSEMER

THE Christmas season is an appropriate moment to take a look around the world and "size things up." Shanghai—as a sort of world in miniature, where there are to be found representatives not only of all the other Western nations, but also of all the people of Asia, not omitting the dozen-different-dialect-speaking Chinese—is a good vantage point from which to view this little speck in the universe called the Earth.

A strange spectacle indeed is presented, one which the future historian will look backward to and doubtless describe as the "crazy" period. Thirteen years after the close of the "war that was to end war" one sees grave tendencies of an even more terrible conflict in the not distant future—one in which there will be no pity whatever, one in which the air will be made poisonous and whole areas of humanity, men, women and children will be indiscriminately slaughtered; and when that conflict will have come to an end no one will be any nearer to telling the truth as to what it was all about than they are about the last one.

The Cows that Didn't Give Milk

Tolstoi in one of his stories tells about a farmer whose cows didn't give enough milk. He consults various experts, one recommends polishing the horns, another more currying, another better care of the udders, and so on. All these remedies caused just a slight improvement. Then a simple-minded fellow came along and suggested that he should give the cows more pasture, more freedom if you like, and behold the miracle was wrought! One can't help but feel as one looks around the world, that although there is a great deal of *talking* about freedom there isn't really a great deal of it in the world—not in the true sense of the word.

The Appeal to Prejudice

Wherever one looks one sees the appeal to prejudice. The war that was fought to make the world "safe for democracy" has in reality only fettered humanity worse than ever before, even though a few kings and emperors found it advisable to vacate their thrones. Patriotism no doubt has its good points, but when the result is, as it has been, that the world has been divided up into tight little compartments, the occupants of which all are taught that they are just a little better than the people in the other compartments and that that superiority is to be bragged about and advertised, that the other chap across the line is just ready to pounce on him, civilization is getting back to the point where it was when the wild Redskins roamed the forests and plains of what is now the United States. The Indian brave with tomahawk in hand taught his followers, young and old, particularly the young, that their enemy was on the other side of the brook, or the river, or the hill as the case happened to be, and that he was to be prepared for him—tomahawk in hand. The result then was continual warfare, and the result of present world tendencies is exactly in the same direction. There is no difference in principle between the "patriotism" that the Indian "brave" taught his children and that which is taught in Japan, in China, in Alsace, in France, in Germany, and in America to-day.

An Alsatian and His Patriotism

The writer has particularly included Alsace because of a little story (and a true one) which illustrates the point. In August, 1914, an Alsatian schoolboy who lived in a village near the then French and German boundary, was interrupted in his play by the sound of drums and music in the village square. He hurried over, and heard a lot of enthusiasm concerning one's duty to the Fatherland, the Kaiser, and so on. Not being particularly interested he went back to his play. An hour later he heard similar drums and music in the village over across on the French side, so he scampered through the woods, met some of his chums there, and listened to what the speakers had to say. It was pretty much the same "stuff" he had heard in his own village except whereas the other was in German, this was in French, and the crowd was being told that its duty was to France, and instead of it being the "Wacht Am Rhein" that the band played it was the "Marseillaise." He joked a bit with the French youngsters, hurried back home, and then in the succeeding days went to school. He was taught all about German Kultur, and in due course had grown to the age where he was drafted into the German army, but that was in the summer of 1918, and as Peace came shortly

afterwards he saw little service. At any rate he found he had to break the oath he took of supporting the Kaiser, for, naturally, the French also compelled him to perform military service, in this instance naval, incidentally making him swear eternal fidelity to the French Republic. This was all very well enough, but one of the results of it was that by the time he had finished his French service and tried to find a job at which he could earn his living, he found that all but impossible, so he managed somehow or other to get out of the country and enter the United States. In order to become an American citizen he had once more to hold up his right hand to Heaven and swear allegiance to the stars and stripes. One can hardly blame him if he feels by this time that patriotism is mostly a matter of chance or of getting something to eat.

The Masses and "Them Asses"

It is an old printer's joke that when the author wrote "the masses", it got into print with the space transposed, so that it appeared "them asses." If one investigates the matter one will see that despite the enormous amount of paper that is used to print books, magazines and newspapers, both in Europe and America, the masses are being treated a great deal like asses, in that they have an enormous burden to bear, and when so eminent an authority as the head of the Bank of England was constrained to write—as he did several months ago—a letter to an equally eminent banking authority in France that if the capitalists of the world did not mend their ways there would be world-wide chaos within a year, (and particularly mentioning to his friend across the Channel that he should preserve the letter for future reference) it was a broad hint that the patience of the masses was being strained to the breaking point.

More Shackles Every Day

Shackles to bind the great masses of mankind more strongly are being forged every day. In pre-war days it was only in benighted Czar-ridden Russia and in emasculated Turkey that travellers were tagged just like dogs—not allowed to move about unless they have their licenses. These licenses when applied to human beings are designated as passports, but their purport is identical, namely to keep wild dogs off the streets—and to collect revenue. Only, unfortunately, in the case of passports the net result usually is to hamper the honest part of mankind. The rascals usually get by on forged papers. Now, since the war, everybody has to wear his "collar" as he moves about.

Freedom of Movement Needed

This world will never be a fit place to live in for the great mass of mankind until more freedom is allowed in several very essential things, and among these is the freedom to discuss vital problems and to disseminate that information among anybody who cares voluntarily to read it. Bad as is much of the Bolshevik propaganda, Sovietism will in the end stand or fall on its merits, and not on whether its propaganda is suppressed. Another vital matter in which freedom is essential is freedom of movement for all honest people, regardless of race, or religion, or other matters concerning which the rest of humanity has a prejudice. It is not only morally wrong but economically downright foolish for any country to prevent either its own people to leave or for other people to enter its borders when their intentions are merely to better their economic position by the expenditure of brawn and brain. The exclusion of anybody from any part of the world who is willing to help in developing it simply means that the world is not being developed as much as it otherwise would be, and regardless of the apparent immediate advantages of restriction, the net result must be disadvantageous to mankind in general.

Dog-in-the Manger Policies

The great bulk of humanity is always ready to "blame it on the other fellow." It so happens that both America and Australia, for example, who are the most outstanding exponents of the policy of excluding Asiatics on the ground that their entrance would hurt the prosperity of the country are among the worst sufferers in the present world economic depression. The fact that they have excluded the Asiatics has in no way prevented it. It is more than likely that had they adopted a liberal policy towards Asiatics—this is particularly true of Australia—they would be prosperous today instead of in "the dumps." A whole continent in Australia now barren would blossom as a rose if the Chinese (and Japanese) were allowed access to it, and just as the Chinese

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By Verne Dyson \$4.00

The Commercial Press, Ltd., Shanghai
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act as dogs in the manger to prevent their country being developed by foreign capital so the Australians and Americans and others act like dogs in the manger in not allowing their country to be developed by Asiatic labor.

Wanted—Freedom for Ideas

Instances of how the great masses of people are being held in bondage by specious propaganda, and by clever appeals to herd instincts, can be cited by the thousands. In the three greatest and most thickly populated areas of the world's surface, namely Russia, China and India, the suppression of freedom of speech is exceptionally severe—all enforced from different angles but with the same result. Let any writer or editor in any of these countries, except from some protected spot where the authorities can't "get" him, attempt to write or say anything effectively opposing the conditions which permit the existing regime to wield its power—and this is equally true in Russia, in China and in India—the "offender" will find himself behind the bars instantaneously, and will be lucky if he isn't shot, or "bumped off" in some other way. In other countries things are veering in the same direction. In America somewhat similar results are obtained in an indirect way by refusing mail privileges, by financial and commercial boycotting, etc. At present in America public gatherings to discuss vital questions are rigorously broken up by the police on one pretext or another.

The Power of the Dead

Another of the shackles which humanity finds itself bound with is the power wielded by the dead. Probably the worst effect of the voices from the grave is that mankind is willing to follow their worn-out theories. But for practical purposes it is the power that they wield from their graves that shackles the present generation. In England many of the poor wretches who live in the slums pay rents which eventually go to some descendant of the henchmen of King Henry VIII who distributed among them the enormous estates which he confiscated from the Roman Church, and which have remained possessions of their descendants down through all these centuries. In America many a comfortable fortune is based on the fact that the possessor's grandfather chased a batch of Indians off some desirable site. Lady Astor lives in England on the money which she draws from the farm which her husband's great-grandfather owned on Manhattan Island. Undoubtedly such conditions are unfair to the great masses who are daily born into the world with no prospect before them than to be serfs for those who have inherited.

Oppression Under the Guise of Benefit

Examples galore can be cited to show how the principal countries of the world oppress their own people individually with the announced purpose of benefitting them. The outstanding example of course is Russia, which exports butter, eggs, and flour and foodstuffs generally in order to build up a great proletarian empire, but half starves its people in order to accomplish that benevolent object. The same system, in another form however, is in vogue in the United States, Japan and other countries. Take the shipping business for instance. Both countries are intent on building up an international mercantile marine, and lay general taxes on their own people to accomplish it. Both also, in order to give their own ships work, rigorously exclude other ships from trading between their home ports. What is the result? Here it is. The people of these countries—there are also others—after being taxed in order to build up this shipping business are in addition prevented from enjoying the benefits of competition. If a Japanese exporter in Kobe wishes to ship something to Hokkaido he must pay more in freight than if he wishes to ship to New York or Hamburg, simply because the steamship lines of his own country have to meet the competition of the subsidy-supported ships of the other countries, but are "protected" from it on their own shores. The same is true of America. If a shipper in New York puts two identical machines on the same ship, one addressed to Shanghai and the other to San Francisco, the one dropped at San Francisco must pay double the amount of freight that the one coming to Shanghai does. The reasons are the same as in the Japanese case just cited. In many other countries the same conditions exist. But it is not alone in the shipping business that the home people are discriminated against as individuals in the fatuous endeavor to lift up the general level. It is a very general practice throughout the world to charge the people at home more for a product than it is sold for abroad. You can buy most American machines laid down in Shanghai duty-paid cheaper than you can buy them laid down at some mid-west, or even west coast city, in the United States. The most outstanding example of this "squeeze your own people in order to chuck-a-bluff-abroad policy" is Australia. Australian butter, prunes, jam and many other products

are sold in foreign countries, duty paid, for less than the law allows them to be sold for in Australia itself. In some countries bounties are paid to certain products when exported thus doubly putting a burden on the people of the country in which they are produced.

The Burden of Subsidies

Every country in the world seems obsessed with the idea of extending its business for the benefit of its own people and then in order to accomplish this idea adopts the policy of oppressing its citizens in order to attain that object. In order that this statement may be better understood a few examples will be given. In Japan, in America, in Germany, and in other countries there is a regular propaganda that the shipping industry of each of those particular countries must be expanded, on the ground that it will be for the public benefit. The net result is that the working people of all these countries are saddled with a huge debt in order that this idea may be carried out. America wasn't satisfied with just ordinary subsidies. It went into the shipping business itself with the object of extending American shipping, and as a result burdened the American taxpaying public with an additional debt of hundreds of millions of dollars. But the net result of the subsidies is that the principal countries—all of them are in same boat—are operating ships at a loss except for what they can squeeze out of their respective people, 95 per cent of whom, although they are taxed to keep the flags of their countries flying over these ships—mostly to maintain the country's prestige, on patriotic grounds—never have the opportunity of travelling on them; indeed the great majority could not raise the necessary funds to do so. And as for securing freight the existing circumstances work out even more ridiculously than they do as regards passengers. After each of these countries has burdened its people to build more ships than required they turn right around and invoke laws, the enforcement of which makes it impossible for the ships to get any considerable amount of business. The world was never so full of rotting ships lying idle as at the present time, and the reason they can't get freight is that the principal countries of the world have made international business on any great scale impossible by putting up preposterous tariff walls.

The Modern "Great Wall"

The tariff idea is just as stupid as was the Great Wall of China, and the effect is identical to that of *likin* in China. The Chinese idea was exclusiveness—and the result was stagnation. That is just the situation to-day in international affairs—America in the foreground. The aim is exclusiveness—the result is stagnation. American exclusiveness has another angle. What justice is there in a people chasing away the original inhabitants, taking possession of the choice locations and then turning to the rest of the world and saying: "You keep off; we got here first!"

"Protection"—the Cry of the Weak

The world today is shackled with more "damphool" ideas than ever in its history. The spectacle of the man who tried to lift himself up by his own bootstraps is no more ludicrous than are national policies throughout the world at the present period. All seem to be obsessed with the idea that they are going to make "the other fellow", the "foreigner", pay for it, whereas they are really paying through their noses themselves. As one views general American policy from the perspective of distance, one cannot but be struck with the incessant appeals for "Protection." First of all let it be clearly borne in mind that it is the weak and not the strong that seek (and are entitled to) protection. Babies have to be protected; strong men ought not to expect it. Americans, in common with many other nationalities, in these days yell for protection on every conceivable occasion and on all sorts of pretexts. The American manufacturers want protection against the cheap labor from abroad; the American workmen want protection from the cheap labor from abroad. The steamship owners want protection from the cheap labor from abroad. The American wheat farmers want protection from the cheap wheat from abroad. The American cotton manufacturers want protection too, apparently from themselves—so also the American oil producers. And so it goes. The whole "protection" policy is babyish from its inception, and in the great majority of cases downright dishonest. Samuel Johnson's dictum that "Patriotism is the last refuge of a scoundrel" finds no better example than in many of the industrialists who invoke patriotism in order to secure protection for their own particular industries—at the expense of their fellow countrymen, naturally. A conspicuous example of this tendency is to be found in the American sugar industry. Not one American in fifty realizes what is being "pulled"

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The Cowardice of Indirect Taxation

Looked at from the point of view of raising revenue the "protection" policy is mainly one of moral cowardice. Instead of the people being brought face to face with realities by direct taxation—with everybody brought out into the open and made to contribute his just share—the idea from the beginning of the Republic seems to have been to hide the taxation method, so as to "bluff" the individual that not he but somebody else is doing the taxpaying. A good example of this kind of taxation is to be found in the matter of such an article as cigarettes. Probably not one cigarette smoker in fifty in the United States or China realizes that he is thus inveigled into paying heavy taxes, that is about 90 cents out of each dollar goes to pay taxes, the other ten cents going towards the cigarette. In other words the State capitalizes his weakness to its own profit. If the State tried to collect this from the individual direct he would howl awfully. But when he is cleverly debauched he submits without a whimper.

America Started the World Tariff War

About a year ago there was a meeting in New York of an organization representing the principal manufacturers in the United States. One of the officers in the course of his remarks stated that there might be some argument about who started the World War but there was no doubt about it that the world tariff war was started by the United States. America today finds itself in the position of having "protected" itself so much that instead of, as in previous years, Europeans flocking to her shores to participate in the scramble for wealth, many of them are now leaving the country in order to get something to eat—she pleads of them even going to Russia, and it is certainly no Paradise there. America is a participant in paper programs for world peace but in reality by economic pressure and prohibitive enactments—no reference to intoxicating liquors here—is helping to create the conditions which cause international illwill. The fact that all the principal countries of the world are doing the same thing is an explanation, but not an excuse. Let there be just a little more of the tariff war business between the United States and Canada and it will be not, as it has been for a hundred years an undefended border, but a border such as exists between many European countries—bristling guns on each side and tens of thousands of conscripted soldiers. Then America, which now spends close on to nine-tenths of every dollar it raises in taxation for purposes connected with war, will have to tax its people even more to "protect" itself—from the effects of a mistaken point of view. Even free trade England is now helping to sow the seeds of a international war by following the same stupid "protection" policy, thus helping to depress its great shipping industry. Already now work on the new giant Cunarder has been suspended.

"Apres Moi Le Deluge"

Put in a few words, the whole economic life of the world is on a false basis, and mankind instead of meeting the issues squarely starts in by patching and patching until the whole fabric refuses to hold anymore. Eventually there will be another explosion. And when it occurs those who have been hit by it the most will naively wonder: Why?

Much Japanese Cargo Sealed by Anti-Japanese Association

During the period from November 25 to December 10, \$1,270,000 worth of Japanese goods owned by Chinese merchants in Shanghai were sealed up by the Anti-Japanese Association which has issued an order forbidding the sale of the stocks. The period for the registration of Japanese stocks with the Association ended Dec. 10, but the Association has announced an extension of the period until Dec. 25, after which the Association threatens to take "drastic" action against merchants found still in possession of unregistered Japanese products. The major portion of the Japanese stocks sealed up in the above period belonged to piece goods merchants, printing companies, and department store proprietors, the total value involved being estimated over half a million dollars. After the period for the registration expires, the Anti-Japanese Association proposes to dispose of the registered goods and to contribute the proceeds from their sales to the Industrial Development and National Salvation Funds.

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Nanking, the League and America

BY P. T. LAU

THE Japanese Manchurian adventure is the most profitable imperialist enterprise of the present century. It costs very few lives and the treasure spent is practically covered by the expropriation of public and private property in the Three Eastern Provinces. Beyond the shadow of doubt the Japanese have succeeded in getting all they want.

All China now seems to be intensely disappointed at the failure of the League. But that, of course, is due to ignorance of the nature and mission of that organization. The League is a replica of a bourgeois democracy, of which the United States is an example: in name it is supposed to represent all the members and administrators unto them all justly, but in fact it is ruled by the French and British imperialists, just as America is ruled by 57 men, as Ambassador Gerard, who is one of the ruling clique, announced a few months ago. It is an illusion to think that every one of the 120 million Americans can get justice in the United States. So it is an illusion to presume that a weak nation can secure equitable treatment in the League. Hence, to place confidence in the League is the same as placing oneself at the disposal of the imperialists. The hypocrisy of the League has been concretely exposed by the Japanese and no independent state has ever taken it seriously. Since the Manchurian crisis, resolution after resolution have been passed but the Japanese were simply impatient with its meddlesomeness. Will Rogers, the foremost American humorist, said that the League has been sending so many notes to Japan that Tokyo even refuses to open its mails any more.

Divergent Imperialistic Interests

The power behind the throne of the League is the French and British imperialists. But their interests are divergent. From the outset French imperialism has supported the Japanese. The Parisian press went so far as to express regret that China was ever permitted to join the League and thus given the privilege to appeal for help. When the League invited the United States to join the deliberations of the Council and sent a firm note to Japan, the whole Japanese nation arose, not against the League itself, but against the British. Thus, the struggle between the French and the British in the League is clear.

Perhaps it is not so hard to understand the French position if we realize their objectives. French imperialism is struggling for the hegemony of Europe to realize its dreams of a United States of Europe to rival the British and American empires. Thru her unprecedented position in gold hoarding she has gained control over numerous states in Europe by securing mortgages on their finance, means of transportation, public utilities and customs. The only countries that the French cannot get into their grip are the Germans and Russians. To deal with the former: extreme pressure is brought to bear on them in the application of the Versailles Treaty and the Young Plan. Through financial power the Germans are compelled to give up their project of customs union with the Austrians and their building of pocket battle-ships. To deal with the Soviet Union the French have already lined up all the little nations surrounding Russia to form an anti-Soviet block. Hence, to strengthen her position in the Far East, friendship or even alliance with the Japanese is very desirable, in the first place to re-enforce her power outside of Europe, in the second place to subdue her colonies in the East without drawing on their forces at home; and finally the anti-Soviet ring thus is completed by closing the Russian outlet in the East. This intense preparation for another world war is only too obvious. Any one who visits France today cannot help but be impressed by the enormous military activities everywhere. There are many more men under arms and many more times the expenditure in military preparation in France today than in 1913. From all signs one can detect today a distinctly pre-war atmosphere, although propagandists still wish us to believe that the present crisis of the world is a post-war symptom. If any more evidence is needed: the French imperialist is hoarding about one-third of the gold supply of the world and this is an historical symptom of France in its preparation for war.

As for British imperialism we note, during the Manchurian crisis three distinct changes of attitude. At the beginning it seemed to be rather pleased that it falls to the lot of the Japanese to teach the Chinese a stern lesson not to belittle foreign interests. It then began to get alarmed when the Japanese went much further than merely making the Chinese "behave." But the British imperialist is absolutely impotent, for reasons we will analyse presently, since French imperialism is supporting the Japanese and its Anglo-Saxon brethren, the American imperialist maintained its ambiguous position. Finally, British imperialism is glad to grab Japanese trade in China to alleviate its depression at home, for so long as the Japanese are aggressive just so long will Chinese trade go to the British; hence, the British imperialist can even now support the Japanese to inflame the Chinese in order to gain trade. Of course that is a very short-sighted policy. But, one pound in the pocket is much better than ten in the street.

British Imperialism Has Its Hands Fall

British interests in the Far East are enormous. British imperialism has its hands full. The foundations of the empire are shaking to their very roots. The national crisis is openly admitted. The "Labor" government was dictated to by Wall Street and told to get out. Of course the proud Britishers will never admit this. But here are the facts: The once most powerful and most wealthy empire on earth could not balance its budget. On August 10 British capitalists got a credit of £150,000,000 from American and French bankers, but that was exhausted within two weeks. When another loan was applied for from the American bankers, Great Britain was told to balance her budget, and in specifying the way that she should balance it Wall Street "hinted" that 10% of the "dole" should be cut. Cutting the "dole" means that "Labor" government had to go back on its principles. Thus, by order of Wall Street, Mr. McDonald had to choose between Mammon and God. It is quite natural that he chose the former. Hence, exit the "Labor" government. As a consequence, labor trouble accentuated, there was a mutiny of sailors; 100,000 unemployed demonstrated in London exhibiting violence such as was never before witnessed in that best controlled city of the world. Furthermore, owing to the world depression and the great flight of British capital from the country, Britain had to get off the gold standard, and according to reports at the beginning of this month the pound had shrunk to about two-thirds of its former value and the patriotic appeal to "buy British" has to be re-enforced by a tariff. The complete failure of the Round Table Conference is evidenced in greater unrest reported in India. Hence, British imperialism, even if it desires, cannot put backbone in the League to oppose Japanese designs.

America in the Same Boat

When the United States was invited to join the League Council, all China was jubilant. Through high power salesmanship the Chinese have long been sold the idea that America is our saviour. Is it not true that America has given us our modern system of education and is it not true that America has given us a Christian god? Since America is willing to save our soul surely she is willing to save our body. That is the prevalent psychology of all those who are under American influence. That is the reason why even our well known scholar and philosopher, Dr. Hu Shih, called to America, pleading for help when the Manchurian crisis began. But that illusion must be eradicated in the popular mind, once and for all. America is an arch-imperialist of the present age. She is a nation of big business and we can be quite sure that she will not tackle any proposition that offers little or no profit.

The Japanese adventure in Manchuria has violated several international agreements to which America is a signatory party. But the most outrageous hypocrisy is found in Secretary Stimson's statement. When the Japanese army had occupied all Manchuria and was about to chase the Chinese forces out of Chinchow Mr. Stimson said that he was not aware of the Kellogg Pact being violated. Granted that official statements are always elusive and international agreements are but scraps of paper we must leave it to sincere Americans to put Christian Science into politics. But there are reasons why America is in the same boat with the other imperialists.

Internally, America being the best industrialized nation in the world and is suffering the most from busi-

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TIENTSIN

An Advertisement of the Chinese Government
Railways

No. 2

Will Rogers on Manchuria

(From The Japan Advertiser)

After drinking at least two barrels of tea, and wanting to be fair, here is about how Manchuria looks to me.

China owns the lot, Japan owns the house that's on it. Now who should have the policemen?

China is trying to save its country, Japan is trying to save its investments, and the League of Nations is trying to save its face.

Yours,
WILL ROGERS.

ness depression. Mass production is the American cult and efficiency her religion. She is now suffering tremendously from her own handiwork. Farmers need relief because they are too productive and workers are starving because they are too efficient, while the American warehouses are full of wheat, cotton and manufactured goods. Every fourth bread winner has lost his job and automatic machines are being invented everyday. Hence, a great portion of the population has lost its purchasing power. The surplus products cannot be dumped into any foreign land because prospective consumers in foreign countries like those unemployed at home have no means with which to pay for them. With all the American ingenuity and efficiency they are absolutely helpless in dealing with the problem of distribution. Such then are the contradictions and dilemma of the American rulers. Unless the American rulers can bring back prosperity quickly their political, economic and social institutions will not stand and their investments abroad will be a total loss.

Japan Acted at "Opportune" Moment

Japanese imperialism could have found no better moment to launch its conquest. In letting loose Japanese imperialism other imperialists were hoping to embroil the Soviet Union into a conflict which would be a unique opportunity to upset the socialist construction in that country. But we must concede that the Soviet leaders know their business. They would stand a lot more of provocation, because they are not ready to strike. But Russia is the graveyard of military reputation, as Mr. A.M. Young of the *Japan Chronicle* puts it. Any attempt to invade Russia itself would be fatal to the invaders. The Japanese occupation of North Manchuria is encroaching upon the Soviet sphere of interest only. That together with the Japanese provocative propaganda are not sufficient to arouse the Soviet to action, because they realize that time is on their side, and their internal reconstruction is much more important.

This leaves China to face Japanese imperialism alone. In the end that would be the only salvation anyway. The scoffer will say that Almighty God himself is unreliable, for he will not help those who cannot help themselves. When the students demanded a firm and militant policy toward Japan General Chiang told them to have faith in him and his government. But he will realize now that in order to vanquish imperialism he should have faith in the Chinese masses and not himself. Whatever relief a weak or exploited nation can get is only ephemeral, for imperialism is a cancer which must be eradicated root and branch. Its work is most ravaging and brutal. A few months ago Professor Harold Laski of the London School of Economics wrote in *Harpers Magazine* an article entitled "Can Business Be Civilized;" in which he showed how imperialists exploited most mercilessly and ruthlessly the backward and weak nations and how tribes were wiped out for mere profit. Hence, outrageous as the Japanese are today we must realize it is only the beginning. We cannot hope to cure a disease without a thorough knowledge of its origin, nature and extent. Therefore, if we wish to avoid the still more bitter end we have to understand the real nature and workings of imperialism.

Shanghai, Dec. 14, 1931.

Explosives Found in Cotton Bales at Harbin

(From a Correspondent)

On December 1 a freight train came to Harbin with ten bales of cotton addressed to the Japanese firm Kokusai Uniu. When the bales were being transferred from the cars the workmen remarked that they were very heavy. The police were summoned to the spot and they found arms hid among the cotton. All the bales were examined and in the first of them two revolvers were found. The same bale had two cases with four bombs. The Staff of the Railway Guards, the C.E.R. administration and the Railway Police were informed of the incident, who later sent representatives to the spot and in their presence all the bales were opened. Every bale contained two boxes with four hand grenades. The ten bales in all contained eighty grenades. It is interesting to note that thirty bales of cotton had already been received by the same firm on November 30. It is not known whether those bales also contained arms or not. On December 2 a further lot of explosives was detained at Harbin station. Though this freight of eight bales of cotton with two boxes of explosives in every one was also addressed to the Kokusai Uniu, the firm denies having anything to do with it.

Slump in Harbin Export Business

Harbin merchants are being upset by lower prices on all export goods with the exception of furs. There is little demand abroad and it is feared the local market will be full of cereals as the reserves of last year have not yet been used up. Only 800 cars of beans were sold during the last week. Harbin shop keepers are complaining that there is no trade. All the banks are full of goods which were hypothecated by the merchants. There are millions of yen worth of goods in Dairen which can not be sent to Harbin as the owners have not the funds needed for the transport.

Dollar Line Not to Withdraw Intercoastal Eastern Service

Setting at rest rumors to the effect that the Dollar Line would withdraw its ships from the eastbound intercoastal service now maintained at fortnightly intervals from San Francisco, J. Harold Dollar, Vice President of the line, issued a statement in San Francisco Dec. 7 that the Dollar Line had no intention of such a move, saying, "We unequivocally deny that it is the intention of the Dollar Steamship Line to withdraw its vessels from the San Francisco New York service. This rumor has come up before, particularly at the time of the conferences in this city between The Dollar, Dawson, Roosevelt and Franklin groups. At that time the report was flatly denied by R. Stanley Dollar, President of the company, and I merely reiterate the denial."

Fortnightly sailings from San Francisco to New York are maintained by the Dollar Line with its vessels of the "535" type, which are in service from the east coast to Manila westward. From New York the Dollar Line provides a weekly service to California and the Orient through the additional sailings of its vessels of the Westward Round-the-World fleet. The new eight million dollar all electric Dollar liners, s.s. *President Hoover* and s.s. *President Coolidge* are in the New York to Manila service.

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No. 1

December 16, 1931.

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New Books of Interest in the Far East

Oriental Love Tales

Della Wu, by Frank Owen; *The Lantern Press*, New York City, 1931. 313 pages.

The entire title of this book is "Della Wu, Chinese Courtesan, and other Oriental Love Tales". There are eleven stories, written in a smooth and pleasing style. The subject matter in these stories, however, does not always seem as attractive as the method of their telling. Knowing the traits of the Chinese it is difficult to believe many of the statements regarding them. The story of Della Wu is that of a girl trained as courtesan by a wealthy father. This, and numerous other things in the tale, make it seem most unreal. It may be the author is seeking only the fantastic, which many expect to find rampant in the East. If this is his goal he may be said to have achieved it in his Oriental stories.

Of the collection "The Dust of God" is perhaps the tale worked out with the greatest skill, although the idea of the missionary life for the two adventurers seems very far-fetched. And the missionary's daughter is quite impossible. There are several discrepancies in this story, one of them being the occasion when one of three foreigners on a small yacht spends the night on the deck raving in anger at an erstwhile friend. "Throughout the night he spit his vile curses into the somber air." Yet neither of the other two heard him, nor did any one of the crew inform them of his doings.

"Bali Boo" is a tale of subdued horror in a Malaysian setting. In it the author has well sustained a feeling of dread and apprehension to a final unexpectedly pleasant ending, which can only be called an anti-climax. "My China Girl" is a romantic tale ending in a note of self-renunciation. One of the shortest stories in the volume is "The King", a parable, pure and simple. It is well told with few words and is sweet and wholesome. The last paragraph of this story is worth remembering. "For some moments utter silence reigned in the room. Then he said simply, 'It is a mistake to always seek the great things of life on the most splendid highways. Ofttimes wealth is found in utter simplicity; in a shaded woodland path, in a simple mountain road or in a shepherd's rustic cottage. God is not known for his splendid clothes, but for his mercies.'" G. B. S.

December 14, 1931.

Some Extracts from Chinese School Books

In a recent editorial article *The Review* mentioned, in commenting on the demonstrations that were being engaged in by Chinese students that some of the matter that was contained in the text-books furnished them was likely to give a wrong impression. Assuming that the translations furnished in a pamphlet recently issued by the League of Nations Association in Japan are true, the following are some excerpts from Chinese school books:

New Age Three Principles Textbook for Beginners, 1, XIX:—"Foreigners have cheated us out of our money in stupendous sums. How? By bringing into our land foreign goods."

Three Principle One-Thousand Character Lesson, 1, XXXIV:—"Foreign banks constitute the second economic oppression on China. They issue valueless notes in order the exchange with millions of our goods and money. They also get an unearned income through manipulation in our exchanges. Wealthy Chinese deposit their money with the foreign banks, who, in turn, loan the money to small Chinese traders. The amount of such loans has reached billions. The foreign banks exact from us an annual profit of 100 million yuan (the actual Chinese name for dollar)"

Reading in Nationalizing Primary School Education, 5:—"Recently, the Chinese came to realize the fact that the foreign missionaries are carrying on a cultural invasion into China and have been acting as the instruments of imperialism. Whereupon, an anti-religious movement was started for the purpose of recovering the right of education from foreign hands."

Orders for books reviewed in this column may be sent to the Book Editor
The China Weekly Review.

38 Avenue Edward VII, Shanghai.

In the United States Court for China

In re. Estate

of

CARMEN ROLKER

Deceased

Cause No. 3337

Special Proceedings No. 747

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Carmen Rolker deceased, to present the same with vouchers to the undersigned on or before June 1, 1931, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. (Mrs.) Alice Herlofson

November 18, 1931. 614 Rue Lafayette

Flood Relief Fund Exceeds Six Million Dollars

The National Flood Relief Funds were considerably swelled during the past week, a magnificent contribution of \$120,000 having been received from the Tsingtao Association which went towards bringing the Fund up to more than \$6,564,094.70.

The Finance Committee of the National Flood Relief Commission, Kiukiang Road, acknowledges the receipt of the following contributions received up to and including December 10, 1931:—

Previously acknowledged	\$6,318,503.07
Tsingtao Flood Relief Association for all provinces	120,000.00
Le Champ de Course Francais. 3rd gala meeting	8,455.48
Swedish Yangtze Flood Relief Committee	8,068.31
Chinese Town Hall, Penang (4th contribution)	8,000.00
Staff of Central Military Officers Academy (2nd contr.)	6,949.11
China Flood Relief Commission, Perak F.M.S. (2nd contr.) (Tls. 5,000)	6,903.69
Staff of the Lunghai Railway Administration	6,664.29
Staff of all departments of Shanghai City Administration	6,323.20
Casino Chung Hwa Havana (2nd contr.) (Hkg. \$6,000)	6,261.23
Remittance from Singapore	6,069.21
Remittance from Penang	5,013.56
Remittance from Singapore	5,000.00
National Army Advisers (3rd contr.)	5,280.91
Chinese Students League, New York (2nd contr.)	5,000.00
Chinese Patriotic Association, Macassar (Hk. \$4,000)	4,174.15
Board and staff of Military Advisers (3rd contr.)	3,825.95
Tiong Hwa Hwee Koan, Madloen (Java) Tls. 2,650)	3,658.33
Staff of Tsingtao University	3,482.50
Board and staff of the Supreme Court	3,445.00
Staff of the Ping-Sui Railway Administration	3,228.50
China Flood Relief Association Japan	3,235.29
China Flood Relief Association Ipoh-Perak	3,000.00
China Flood Relief Association Garoet (Java)	1,052.85
Commission for the Improvement of the Hwai River	1,003.49
Chinese Rubber Growers & Dealers Assoc., Klang F.M.S.	1,000.00
Staff of the Nanyang School, Singapore	1,000.00
Wang Pao Kuei, Chinese Chamber of Commerce, Chemulpo	1,000.00
Edward A. Filene, Boston (G.\$100)	435.03
Flood Relief Assoc. of Empress of Russia (2nd contr.)	281.90
Chinese Students Association Belgium (2nd contr.)	66.29
Miss S. Wong	50.00
Mrs. E. T. Byrne (Tls. 25)	34.53
Chas. Carwardine Chengku, Shensi	30.00
Wang Yao, Amsterdam (£20.0)	23.09
Sport and General Press Agency, Ltd., London (2nd contr.) (£11.19.0)	26.19
Mr. Hwa Kee	2.00
Sundry Chinese contributors (for details see Chinese newspapers)	7,593.95
	\$6,564,094.70

A.B.C. Press Printing supplies value \$15.50

Frank L. Martin Coming to Yenching University

Frank L. Martin, associate dean of the School of Journalism of the University of Missouri at Columbia, Missouri is due to sail December 20 from San Francisco enroute to Peiping, China, where he will spend the calendar year of 1932 in the Department of Journalism of Yenching University as exchange professor. Vernon Nash, of the Department of Journalism at Yenching, is expected to arrive in America next month to take over the teaching duty of Professor Martin in Missouri. Professor Martin has been associated with Dean Walter Williams in the Missouri Journalism School since its inauguration in 1908.

Professor Martin will stop over at Honolulu and Japan on his way to China, expecting to come to Peiping by way of Korea and Manchuria.

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Who's Who in China

M. Chang, consular official; born at Hsu Chih, Anhwei, 1886; after having completed his preliminary education in China, he went to the United States where he attended the Washington University, graduating with B.A. and M.A. degrees; participated in the 1911 Revolution and was appointed director of the Bureau of Foreign Affairs



張銘字鼎丞

M. Chang (Chang Ming)

of Hupeh Civil Government; magistrate of Taiyeh District, Hupeh and concurrently judicial officer of the Hupeh Military Government; secretary to the Chinese Minister for U.S.A. in 1912; counselor of the Ministry of Foreign Affairs of the former Peking Government, 1914; English secretary to President Li Yuan-hung, 1916; president of Anhwei Provincial Law College, 1917; magistrate of Tien Chang district, 1920-23 and during his term of office, he donated \$5,000 for the founding of Tien Chang Library, Tien Chang Park, etc. and was awarded a decoration by the Minister of Education; transferred to the magistracy of Yin San District, 1923; joined the Nationalist Revolutionary Forces in 1927 as a counselor to the 6th, 7th and 26th Armies; appointed counselor of the Ministry of Foreign Affairs of National Government and concurrently member of the Treaty Commission of the Ministry and member of the Commission for Examination of Consular Service; appointed Chinese Consul-General for Java 1927 and registered as an expectant Minister; appointed Consul-General for India and concurrently Chinese Envoy to Nepal for the purpose of conferring honors upon the Prime Minister of Nepal, July, 1931 which positions he now retains, Dec. 1931; awarded first Class Gold Medal by the National Government, June, 1931; address: Chinese Consulate General, Calcutta, India.

張銘字鼎丞，安徽人，年四十六歲，始肄業于國內中學，後赴美留學入華盛頓大學，得文學士及文學碩士位，回國後，參加武漢革命，任湖北省交涉使，民國三年，調任外交部參事，繼任湖北省大冶縣縣長，兼任軍事司法官，旋任駐美公使館秘書，民國五年任總統府英文秘書，民國六年任安徽省立法學院院長，民國九年任天長縣縣長並捐贈鉅款建築圖書館及公園等，民國十一年得教育部一等嘉祥章，民國十六年，任國民革命軍第六路，第七路二十六路軍諮議，旋調任外交部參事及條約委員會會員，後任駐爪哇總領事，並得政府金質獎章，現任駐印度總領事，

Chinese Steamer Catches Fire, Over Hundred Lose Lives

The steamer *Ta Te*, belonging to the Tah Tai Steamship Company, caught fire in the Yangtze off Corner Buoy, about sixty miles from Shanghai, Sunday morning, December 13, with about 500 passengers on board, the majority of them of the student class. The boat had sailed from Shanghai the previous midnight bound for Tungchow. The fire had its origin in an explosion in the engine room. In the ensuing confusion probably one-third of the passengers lost their lives, many of them jumping into the water in an attempt to get away from the flames, others being roasted to death before they had a chance to escape. The wireless operator proved faithful to his duties and two Japanese steamers came to the rescue. The eventual survivors were brought to Shanghai, mostly in junks.

Men and Events

Fred. G. Sabbagh, treasurer of Sabbagh Bros, New York City, is a visitor to Shanghai on a business trip.

E. Kann delivered a lecture at the Shanghai Foreign Y. M. C. A. December 15 on "Gold Standards."

The American Express Co. has compiled an attractive booklet entitled, "Sightseeing in and Around Shanghai."

The Shanghai Power Co. announces an increase of lighting rates by one tael cent per unit beginning January 1, 1932.

Dr. Alfred Sze, China's representative at the League of Nations, has entered a hospital in Europe (location not divulged) for a rest, on the advice of his doctor.

R. H. Merriman, foreign representative of the auditing department of General Motors Corporation, arrived in Shanghai during the week accompanied by Mrs. Merriman.

Sir John H. Simon, director general of the National Flood Relief Commission, was announced to speak at the monthly tiffin of the American University Club, Shanghai, December 18.

The Chinese Mission to Lepers, 20 Museum Road, Shanghai, has issued a brochure entitled "What the Public Should Know about Leprosy in China," incidental to an appeal for funds to support the Mission.

George F. Shecklen has resumed his duties as representative for China for the Radio Corporation of America, after having returned recently from his six-month holiday in America and a trip around the world.

The funeral service for the late veteran Kuomintang member, Chen Pai-hsu, were held Sunday noon, December 13, at the cemetery of the Kiangsi Residents Union in Shanghai. The death of Mr. Chen occurred October 27.

The first (December) issue of *The United China Magazine*, to be published monthly made its appearance last week, under the editorship of V. Y. Chow. No address of publication is given, other than Post Office Box 1612, Shanghai.

A *United Press* telegram from Nanking December 11 stated that the National Government had remitted a total of more than half a million dollars to Dr. Alfred Sze, China's representative of the League of Nations, in order to meet the expenses of the Chinese delegation. One of the main items of expense was for telegrams.

A disastrous fire swept through the Chinese section of Bangkok, Siam, on the night of December 14. About 500 Chinese dwellings and business premises were burned down, including the Bank of China. The damage runs into millions of dollars. Two thousand Chinese were made homeless.

The Shanghai Foreign Municipal Council last week sent a check for \$500 to the Municipality of Greater (Chinese) Shanghai as a solatium to the Chinese police officer who was shot in the hand by a foreign police officer during an incident last June in the home of H.F. Smith, an American citizen living at 858 Avenue Haig, when there was an altercation regarding an unpaid tailor's bill.

Will Rogers, noted American humorist, arrived in Mukden beginning of this week, after having spent three days in Harbin. In one of his celebrated "wisecracks" he declared that the League of Nations' decision to send a commission of inquiry to Manchuria reminded him of the sheriff engaged in inspecting the stable after the horse had been stolen.

Justice is the name of a new weekly journal which has been launched in Shanghai under the editorship of Francis Zia, who during the past few years has assisted in producing two daily newspapers, all devoted to the furthering of Chinese interests. The new journal is well printed and states that its aim is to reflect current public opinion and mirror the trend of the modern thought of China.

George Street, representative of RCA Communications, Inc. and honorary Advisor to the Ministry of Communications, has been transferred to Tokyo to look after the Corporation's interests in Japan. Mr. Street had been in China for a year and during that time had worked closely with and assisted the Chinese Government Radio Administration in building up their world-wide telegraphic communication facilities to various countries.

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- (4) Bureau of Administration
- (5) Bureau of Accounts
- (6) Bureau of Statistics

All applications and inquiries should be addressed to
the Director at 1954 Avenue Haig, Shanghai.

French "Mosquito" Editor Summoned

A French citizen named J. Durand, long resident in China, but only recently arrived in Shanghai, beginning of this month commenced publication of a satirical illustrated four-page tabloid called *L'Oeil Ouvert* (The Open Eye) highly critical of vice and gambling conditions in the French Concession and making rather sharp attacks on the French Consul General and other notables in the French community. The French Police seized the second, and so far the last issue, dated December 12. M. Durand was brought before the French Consular Court during the week for publishing his journal without the consent of the French Consul General, and contrary to the recently promulgated Consular Ordinance.

Japanese Building Large Airdrome at Harbin

Following "pressure" exerted on Chang Ching-hui, Chairman of the Harbin Peace and Order Maintenance Committee, a large airdrome occupying an area of 3,000 square meters, is under construction in Harbin by the Japanese. 200 Chinese laborers have been impressed for the work. The apparent motive behind this construction is to provide an air base to assist the Japanese troops in their advance on Hailun, the provisional seat of the Heilungkiang Provincial Government in eastern Heilungkiang.

BACK ISSUES WANTED

The Review will pay 50 cents each (big money) for each of the following issues.

Jan. 8, 1927 Vol. 39 No. 6
Mar. 5, 1927 Vol. 40 " 1
Feb. 7, 1931 Vol. 55 " 10
Feb. 29, 1931 Vol. 55 " 13

Mail with statement to

The China Weekly Review

38 Avenue Edward VII
Shanghai

Latest New York Stock Exchange Quotations

Market: Irregular Business Done 1,600,000 Shares
December 16

1930-1931 Div.\$			STOCKS	Mon. Dec. 14		Tues. Dec. 15
High	Low	per Sh.				
231 3/4	3 1/2	1.00	Adams Express	3 1/2	3 1/4	
182 1/2	67 1/2	*6.00	Allied Chemical & Dye ..	67 1/2	68 1/2	
42 1/2	13	1.00	Allis Chalmers	13	13 1/2	
129 1/2	60 1/2	4.00	American Can	61 1/2	63 1/2	
51 1/2	6 1/2	—	American & Foreign Power	6 1/2	7	
81 1/2	3 1/2	—	American & For. Power W.	3 1/2	3 1/2	
58 1/2	18 1/2	1.50	American Smelting	18 1/2	18 1/2	
201 1/2	121 1/2	9.00	American Tel. & Tel. ..	121 1/2	123 1/2	
132 1/2	69 1/2	*5.00	American Tobacco "B" ..	69 1/2	71 1/2	
80 1/2	22	3.00	American Waterworks ..	26 1/2	27 1/2	
43 1/2	9 1/2	—	Anaconda Copper	10	10	
87 1/2	17	4.00	Baltimore & Ohio	17	17 1/2	
70 1/2	20 1/2	2.00	Bethlehem Steel	20 1/2	21 1/2	
76 1/2	87	*8.00	Borden Company	37 1/2	39	
20 1/2	9 1/2	1.00	Borg Warner	10	10	
46 1/2	11	1.25	Canadian Pacific Railway	13	13 1/2	
181 1/2	83 1/2	—	Case J. I.	37 1/2	40	
54 1/2	14 1/2	3.00	Chesapeake Corp	14 1/2	15 1/2	
25 1/2	11 1/2	1.00	Chrysler	12 1/2	13	
20 1/2	5 1/2	*.30	Cities Service, Co.	5 1/2	5 1/2	
45 1/2	14 1/2	1.50	Columbia Gas & Electric..	14 1/2	14 1/2	
12	3 1/2	.30	Commonwealth & Southern	Unq.	8 1/2	
2 1/2	%	—	Consolidated Gas. of N. Y.	61 1/2	62	
109 1/2	61	4.00	Continental Oil	5 1/2	5 1/2	
12	5	—	Corn Products	38 1/2	39 1/2	
86 1/2	36 1/2	3.00	Curtiss Wright Co.	1 1/2	1 1/2	
8 1/2	1 1/2	—	Drug Incorporated	48 1/2	49 1/2	
78 1/2	42 1/2	1.00	Du Pont de Nemours	52 1/2	53 1/2	
107	51 1/2	4.00	Eastman Kodak	81 1/2	84 1/2	
185 1/2	81 1/2	*5.00	Electric Bond & Share ..	9 1/2	10	
61	9 1/2	6% S	Fox Film "A"	3	3	
38 1/2	3	—	General Electric	24 1/2	25	
34 1/2	24 1/2	1.00	General Foods	29 1/2	30 1/2	
58	29 1/2	8.00	General Motors	22 1/2	23 1/2	
48	22 1/2	8.00	General Railway Signal ..	21 1/2	22	
84 1/2	21 1/2	5.00	Gillette	11	10 1/2	
58 1/2	9 1/2	—	Gold Dust	15 1/2	15 1/2	
42 1/2	15 1/2	2.50	Goodrich Rubber	4	4	
20 1/2	4	—	Goodyear Tire & Rubber ..	15 1/2	16	
52 1/2	15 1/2	3.00	Granby	5 1/2	5 1/2	
22 1/2	5 1/2	1.00	International Cement	18 1/2	18	
62 1/2	17	4.00	International Comb. Eng.	1 1/2	1 1/2	
4	1/2	—	International Harvester ..	24	24 1/2	
60 1/2	22 1/2	2.50	International Nickel	7 1/2	7 1/2	
20 1/2	7 1/2	.20	International Tel. & Tel. ..	8 1/2	8 1/2	
38 1/2	8 1/2	.60	Johns Manville	16	17 1/2	
80 1/2	16	8.00	Kennecott	9 1/2	9 1/2	
31 1/2	9 1/2	1.00				

27 1/2	4 1/2	1.61	Kreuger & Toll	5 1/2	5 1/2
91	40	*4.00	Liggett & Myers, "B" ..	43 1/2	44 1/2
63 1/2	26 1/2	3.00	Loew's: Inc	26 1/2	26 1/2
21 1/2	10	—	Lorillard P. Co. (com.) ..	13 1/2	13
19	5 1/2	—	Ludlum Steel	5 1/2	5
29 1/2	7	—	Montgomery Ward	7	7
40 1/2	15	2.00	Nash Motors	15 1/2	15 1/2
14 1/2	5	.80	Nevada Consolidated Co.	5	Unq.
132 1/2	26 1/2	4.00	New York Central	27 1/2	28 1/2
11	2 1/2	—	North American Aviation	2 1/2	2 1/2
54 1/2	29 1/2	2.00	Pacific Gas & Electric ..	32	32
11 1/2	4	.40	Packard Motors	4 1/2	4 1/2
50 1/2	7 1/2	10% S	Paramount—Publix Corp	7 1/2	7
64	18 1/2	2.00	Pennsylvania Railroad ..	18 1/2	18 1/2
8 1/2	2 1/2	.40	Pennroad Corporation ..	2 1/2	2 1/2
16 1/2	4 1/2	—	Phillips Petroleum	5	4 1/2
96	51 1/2	3.40	Public Service of N. Jersey	51 1/2	51 1/2
27 1/2	5 1/2	—	Radio Corporation	5 1/2	5 1/2
24 1/2	1 1/2	—	Radio-Keith Orpheum ..	1 1/2	1
54 1/2	34 1/2	3.00	Reynolds Tobacco "E" ..	34 1/2	34 1/2
63 1/2	31	*2.50	Sears Roebuck	32 1/2	33 1/2
10 1/2	3 1/2	—	Shell Union	3 1/2	3 1/2
23 1/2	7 1/2	—	Simmons Company	7 1/2	7 1/2
26 1/2	10	1.00	Socony-Vacuum Corp. ..	10	9 1/2
54 1/2	28 1/2	2.00	Southern California Edison	30	30
88 1/2	27 1/2	3.50	Standard Gas & Electric..	27 1/2	28 1/2
53 1/2	28 1/2	*1.00	Standard Oil of N. Jersey	29 1/2	29 1/2
36 1/2	13	2.00	Texas Corporation	13	13
58 1/2	20 1/2	3.00	Texas Gulf Sulphur	21 1/2	21 1/2
18	2 1/2	—	Trans America	2 1/2	2 1/2
72	27 1/2	2.60	Union Carbide & Carbon	29	29 1/2
205 1/2	73	10.00	Union Pacific Railway ..	75	76 1/2
38 1/2	11 1/2	—	United Aircraft & Transp't	11 1/2	12
31	8 1/2	.75	United Corporation	8 1/2	8 1/2
37 1/2	16	1.20	United Gas Improvement	16	16 1/2
20 1/2	2 1/2	—	U.S. Rubber	3 1/2	3 1/2
152 1/2	41 1/2	4.00	U.S. Steel	41 1/2	41 1/2
76 1/2	12 1/2	—	Vanadium	12 1/2	12 1/2
20 1/2	2 1/2	—	Warner Bros. Pictures ..	2 1/2	2 1/2
107 1/2	26 1/2	2.50	Westinghouse E. & M. ..	26 1/2	27 1/2
72 1/2	40	2.40	Woolworth	40	40 1/2

*plus extras

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The National City Co. Gold Bond Quotations Received From Head Office

December 10, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	48½	—
City of Antwerp	5 % Dec. 1, 1958	77	6.89
Argentine Government Canadian National	6 % May 1, 1960]	55½	11.23
Railway Co.	5 % Oct. 1, 1969	82½	6.20
Chile Government	6 % Jan. 1, 1961	16	—
City of Vienna	6 % Nov. 1, 1952	56	11.65
City of Yokohama	6 % Dec. 1, 1961	79	7.83
German General Elec- tric (A. E. G.)	6 % May 1, 1948	28¾	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	29¾	—
Greek Government	6 % Feb. 1, 1968	54	11.28
Japanese Government	6½ % Feb. 1, 1954	93½	7.08
Kingdom of Italy	7 % Dec. 1, 1951	83½	8.76
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	10½	—
Nord Railway Co.	6½ % Oct. 1, 1950	101½	6.36
Norwegian Hydro-Elec. Nitrogen Corp.	5½ % Nov. 1, 1957	65	9.01
Oriental Development Co.	5½ % Nov. 1, 1958	66½	8.82
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	101	6.92
Republic of Costa Rica (Pacific Rwy.)	7½ % Sept. 1, 1949	45	—
Republic of Finland	5½ % Feb. 1, 1958	44	—
Republic of Peru	6 % Dec. 1, 1960	8¾	—
Rhine Westphalia Elec- tric Power Corp. w.w.	6 % Aug. 1, 1953	36	—
Saxon Public Works	6½ % May 1, 1951	25¾	—
Saxon State Mortgage Institution	6½ % Dec. 1, 1946	33	—
Toho Electric Power Co. Notes (Japan)	6 % July 1, 1932	99	8.08
Tokyo Electric Light Co. (Japan)	6 % June 15, 1953	58¾	11.06
Ujigawa Electric Power Co. (Japan)	7 % Mar. 15, 1945	88	8.51
U. S. of Brazil	6½ % Oct. 1, 1957	18¾	—
Anaconda Copper Min- ing Co.	Common Stock	11¾	—
Baltimore & Ohio Railroad Co.	Common Stock	20¾	—
Belgian National Rwy. Peptg. Pfd. Stock	6 % (Amn. Shares)	57	—
Pennsylvania Railroad Co.	Common Stock	21	—
Socony-Vacuum Co.	Common Stock	10¾	—
United Aircraft and Transport Corp.	Common Stock	12¾	—
Chicago Rapid Transit Co.	6½ % July 1, 1944	36	—
Cuban Dominican Sugar Corp.	7½ % Nov. 1, 1944	7	—
Pennsylvania - Dixie Cement Corp.	7 % Cum. Pfd. Stock	8	—
State of Minas Geraes Series "A"	6½ % Sept. 1, 1959	16	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	61	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	63	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	61	—
Chinese Govt. (Crisp Loan)	5 % 1912	38	—
Shanghai Nanking Rail- way	5 % 1904/08	41½	—
Shanghai Hangchow Ningpo Railway	5 % 1908/38	63½	—
Hukuang Railway	5 % 1911/1951	21	—
Tientsin Pukow Railway	5 % 1908/09	15	—

NOTE: The above quotations are received by cable and whilst believed to be correct, are not guaranteed.

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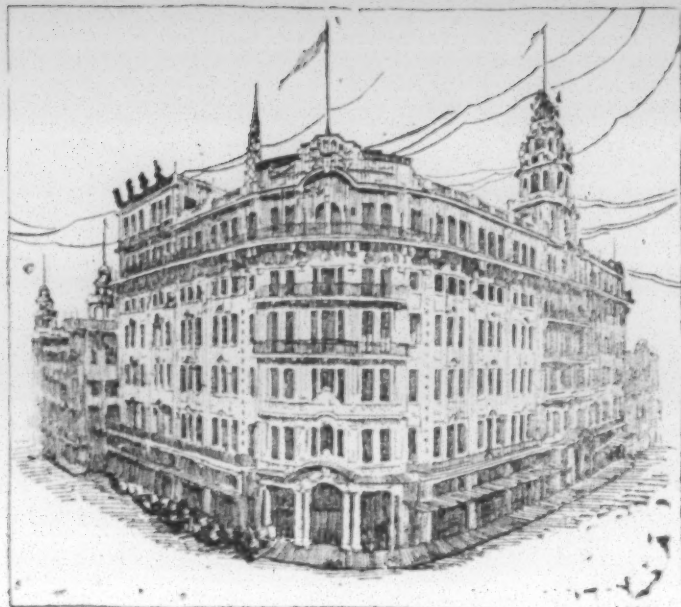
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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mille—thousands;

TOKAI MARU, October 19.		Rubber Tires:	Sugar, Refined.....	68	Tea, Green:	
(Agents: Osaka Shosen Kaisha.)		For Motor-cars.....	Paints	Galls. 372	Other kinds, Shanghai ..	9
From U. S. of America.		Timber, Softwood:	Motor-cars	Pcs. 3	Gunpowder, Ningpo....	254
Borax	Pls. 504	Ordinary, Sawn ...	Motor-trucks, Chassis ...	8	Silk, Raw, Steam Filature:	
Cocoa Butter	34	Merchantable	Files.....	Dozs. 1,300	White, Shanghai Bls. 605 ..	595.11
Cotton, Raw:			Motor Cars and Trucks,		Yellow, Tsingtao ..	89.58
American, ... Bls. 50 Pls.	178		Parts of	G. Units 993		
Fibre Sheets, ...	113		Machinery, & Parts of ..	23,196	Silk, Waste:	
Grease	32		Treasure:		Shanghai	Bls. 17
Quebracho Extract	1,075		Silver Bars	Hk. Tls. 305,213	Tsingtao.....	66
Tobacco, Leaf	9,435				Bristles	53
Wax, Paraffin	3,265				Brassware	172
Rubber Tires:					Chinaaware	110
For Motor-cars.....	Pcs. 17				Groundnuts	80
Cigarettes	Mil's 70				Hair, Human	140
Oil, Lubricating, Mineral	Galls. 69,750				Intestines, Pig	16
Transformer	1,000				Oil, Wood	465
Dyes, Aniline Pkgs. 18 G. Units	2,383				Rhubarb	9
Motor-cars, Parts of.....	1,791				Seed, Sesamum.....	54
MICHIGAN, October 19.					Skins, Lamb, Untanned Pcs.	1,500
(Agents: States S. S. Co.)					" Sheep, ..	9,000
From U. S. of America.						
Timber, Softwood:						
Ordinary, Sawn...Sup. ft. 1,441,010						
Merchantable ...	35,505					
OREGON, October 20.						
(Agents: States S. S. Co.)						
From U. S. of America.						
Paper, Bond.....	Pls. 135					
" Common Printing ..	3,363					
Timber, Softwood:						
Ordinary, Sawn Sup. ft. 1,082,077						
Merchantable ..	354,375					
Pilings.....	67,230					
PRESIDENT MADISON, Oct. 20.						
(Agents: Robert Dollar Co.)						
To U. S. of America.						
Tea, Black, other kinds,						
Shanghai	Pls. 13					
Silk, Raw, Steam Filature:						
White, Shanghai Bls. 123 ..	120.67					
Silk, Raw, Reeled from Doupons:						
Shanghai	Bls. 30 Pls. 29.93					
Tea, Black, other kinds,						
Kiukiang	70					
Tea, Green:						
Gunpowder, Ningpo... ..	670					
Young Hyson, Hangchow,						
etc.	167					
Hyson, Kiukiang etc.	61					
Feathers, Duck.....	103					
Hair, Human	211					
Tungsten Ore	588					
Skins, Lamb, Untanned..	Pcs. 4,000					
PRESIDENT CLEVELAND,						
October 21.						
(Agents: Robert Dollar Co.)						
From U. S. of America.						
Apples, Fresh	Pls. 287					
Cotton, Raw:						
American ... Bls. 1,416 ..	4,999					
Fish, Herrings, Salt.....	28					
Flour, Wheat	1,863					
Lead, Pig	238					
Milk, Condensed	126					
Paperboard Unclassed ...	540					
Wood Pulp, Chemical ...	830					
Motor Passenger Cars ...	Pcs. 24					
TOKAI MARU, October 19.						
(Agents: Osaka Shosen Kaisha.)						
From U. S. of America.						
Rubber Tires:						
For Motor-cars.....	Pcs. 55					
Timber, Softwood:						
Ordinary, Sawn ...	Sup. ft. 264,780					
Merchantable	68,317					
TAISHAN, October 21.						
(Agents: Dodwell & Co)						
From U. S. of America.						
Linen	Yds. 5,211					
Cotton, Raw Bls. 15,000 Pls. 54,511						
Iron and Steel, Ungalvanized:						
Bolts and Nuts	Pls. 5					
Pipe Fittings.....	27					
Tinned Plates, Plain...	932					
Stripes	180					
Iron and Steel, Galvanized:						
Pipe Fittings.....	45					
Tobacco, Leaf	3,347					
Machines, Sewing.....	Pcs. 3					
Typewriters	33					
Machinery, & Parts of G. Units	4,974					
Motor-cars, Parts of.....	302					
ATHOS II, October 22.						
Agents: Cie des Messageries Maritimes.						
From U. S. of America.						
Cotton, Raw Bls. 1,888 Pls. 7,246						
TROILUS, October 22.						
(Agents: Butterfield & Swire.)						
From U. S. of America.						
Iron and Steel, Ungalvanized:						
Scrap, Old	Pls. 375					
Cotton, Raw:						
American... Bls. 5,903 ..	20,797					
Grease	30					
Gum Resin	1,284					
Tobacco, Leaf	9,746					
Wax, Paraffin	24					
Oil, Lubricating, Mineral	Galls. 23,372					
Motor-cars, Parts of G. Units	1,290					
CITY OF ROUBAIX, Oct. 24.						
(Agents: Lacey & Cannan, Ltd.)						
From U. S. of America.						
Tobacco, Leaf	Pls. 3,465					
Motor-cars Used	Pcs. 1					
PRESIDENT GARFIELD, Oct. 26.						
(Agents: Robert Dollar Co.)						
From U. S. of America.						
Cotton Flannel:						
Yarn-dyed	Pcs. 169					
Cotton, Raw... Bls. 4,224 Pls. 10,542						
Artificial Silk Yarn	226					
Asbestos Packing	9					
Canned Asparagus	53					
Awabi	12					
Fruits	98					
Fruits, Dried.....	30					
Fresh.....	26					
Lard	18					
Leather, Patent.....	17					
Calf Coloured... ..	3					
Sole	7					
Milk, Evaporated.....	36					
Oil, Coconut	104					
Oranges, Fresh.....	374					
Soap, Laundry	10					
SILVERCYPRESS, Oct. 27.						
Agents: Glen Line Eastern Agencies, Ltd.						
From U. S. of America.						
Motor-trucks, and Chassis of Pcs.	4					
Motor-cars	8					
Cotton, Rnw Bls. 7,136 Pls. 25,545						
Iron and Steel, Ungalvanized:						
Hoop Ends	Pls. 506					
Gum Resin	3,342					
Grapes, Fresh	34					
Paper, Chipboard	807					
Tobacco, Leaf.....	7,774					
Turpentine, Vegetable... Galls.	784					
Machinery, & Parts of G. Units	14,509					
Dyes, Aniline Pkgs. 1,006 ..	24,566					
TOKAI MARU, October 28.						
(Agents: Osaka Shosen Kaisha.)						
To U. S. of America.						
Tea, Green:						
Young Hyson, Hangchow Pls.	153					
Gunpowder, Hangchow ..	193					
Silk, Raw, Steam Filature:						
White, Shanghai Bls. 30 Pls.	29.3					
Bristles, Assorted	6					
EMPRESS OF JAPAN, Oct. 28.						
(Agents: Canadian Pacific S. S. Co. Ltd.)						
From U. S. of America.						
Apples, Fresh	Pls. 660					
Flour, Wheat	1,325					
Ink, Printing	302					
Milk, Condensed	360					
Paper, Chipboard	277					
Tobacco, Prepared	203					
Wood Pulp, Chemical... ..	1,271					
Motor-cars	Pcs. 10					
GERTRUDE MAERSK, Oct. 29.						
(Agents: Melchers & Co.)						
From U. S. of America.						
Cotton, Raw:						
American... Bls. 1,600 Pls.	3,024					
Iron and Steel, Ungalvanized:						
Tinned Plates, Plain... Pls.	420					
Bars	334					
Paper, Printing.....	104					
(Wood free)	1,140					
Newspapers, Old	2,100					
Tobacco, Leaf	2,047					
Liquid Fuel	Tons 352					
Motor-cars	Pcs. 10					
Automobiles, Parts of G. Units	8,108					
Dyes, Aniline Pkgs. 160 ..	8,420					
PRESIDENT MCKINLEY,						
October 29.						
(Agents: Robert Dollar Co.)						
To U. S. of America.						
Tea, Black:						
Other kinds, Shanghai Pls.	2					
" Hankow, etc.	218					
RAMSES, October 30.						
(Agents: Hamburg-Amerika Linie.)						
From U. S. of America.						
Aluminium-foil.....	Pls. 25					
Aluminium Sheets	78					
Iron and Steel, Ungalvanized:						
Tinned Plates, Plain... Pls.	339					
Iron and Steel, Galvanized:						
Wire Shorts	377					
starch	73					
Cotton Shirts and Underwear...	Dozs. 12					
PRESIDENT GRANT, Oct. 30.						
(Agents: Robert Dollar Co.)						
From U. S. of America.						
Cotton, Raw Bls. 2,000 Pls.	3,819					
Tinned Plates, Plain... ..	396					
Asbestos Sheets & Packing	12					
Beans, Dried.....	38					
Brnze Powder.....	53					
Canned Asparagus.....	36					
Fruits	41					
Fruits, Dried.....	95					
Fresh	25					
Ink, Printing	9					
Paper, Printing (Woodfree)	56					
Oil, Coconut	120					
Raisins	63					
Shrimps, Dried.....	100					
Soap, Household	21					
Soda Ash	840					
Oil, Lubricating, Mineral	Galls. 8,063					
Motor-cars	Pcs. 3					
Motor-truck, Chassis ...	10					
Rubber Tires, Pneumatic:						
For Motor Cars & Trucks ..	60					
Typewriters	57					
Shoes	Pairs 564					
SCOTTSBURG, November 2.						
(Agents: Lloyd Everett, Incorporated.)						
From U. S. of America.						
Iron and Steel, Ungalvanized:						
Sheets	Pls. 350					
Asphalt.....	5,730					
Grease, Lubricating, Mineral	510					
Gum Resin	2,224					
Oil, Kerosene, in Case Galls.	176,600					
" " " bulk ..	1,082					
Oil, Lubricating, Mineral	45,006					



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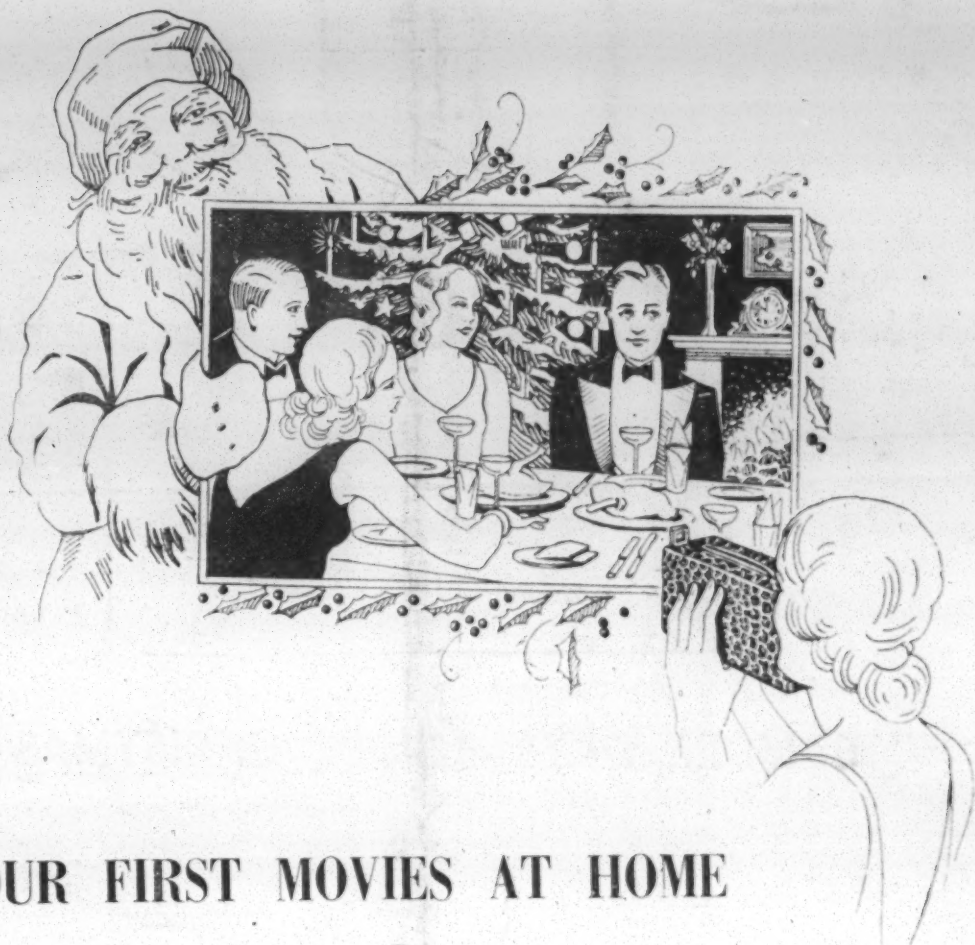
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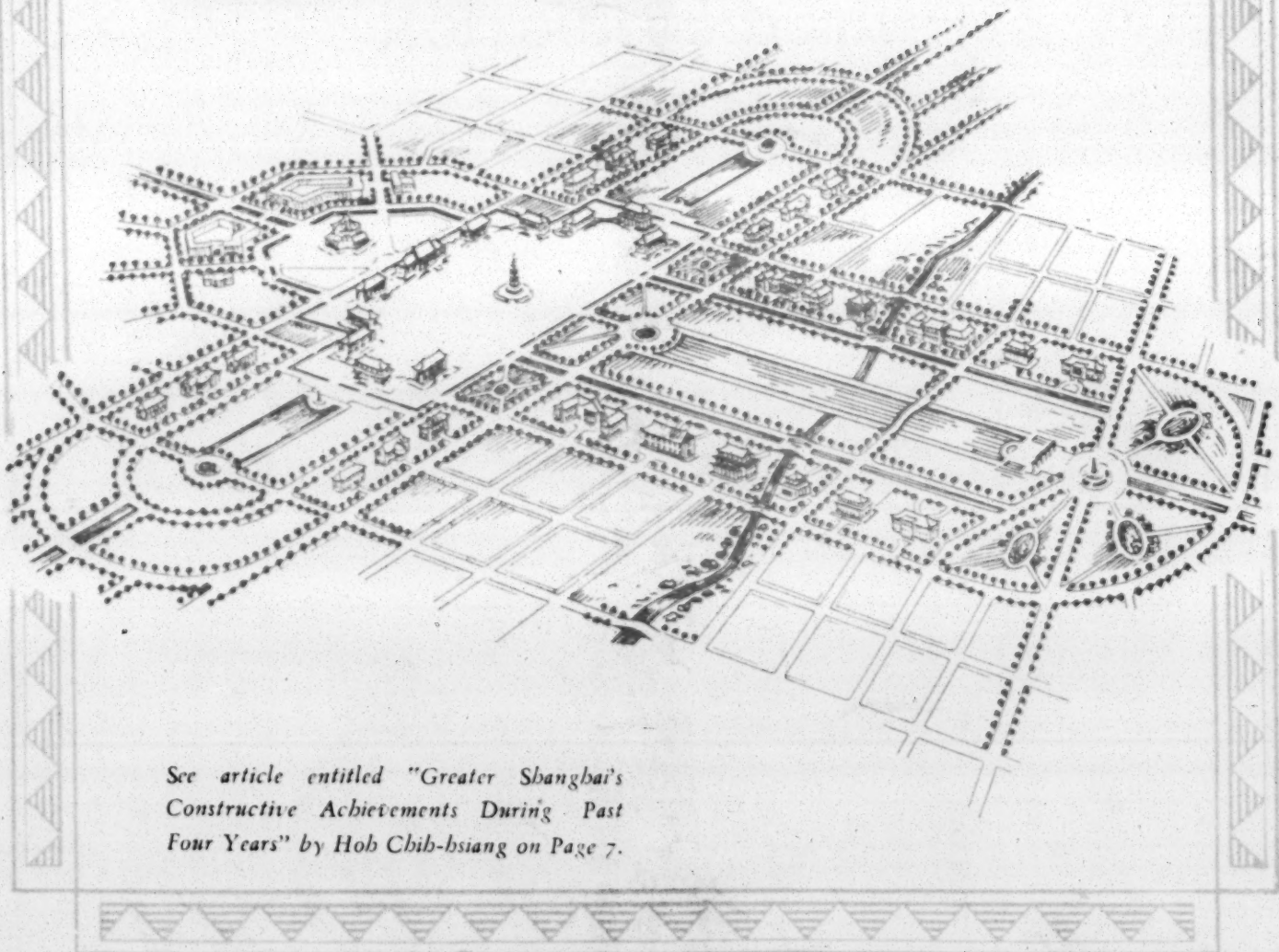
RECONSTRUCTION EDITION

THE CHINA WEEKLY

REVIEW

報 論 評 氏 勒 密 國 中

*Bird's Eye View of the Civic Center of the
Municipality of Greater Shanghai*



See article entitled "Greater Shanghai's
Constructive Achievements During Past
Four Years" by Hob Chih-hsiang on Page 7.

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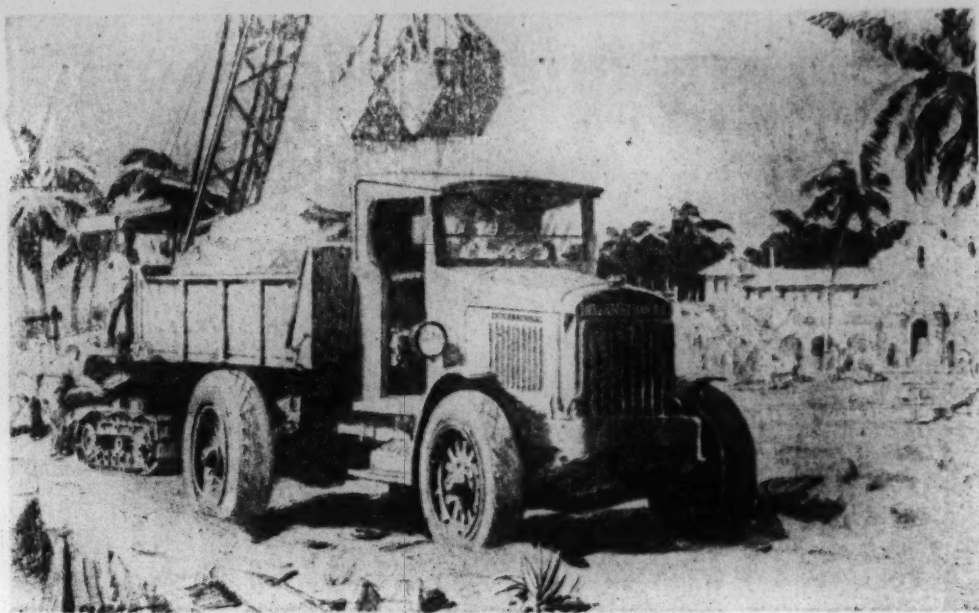
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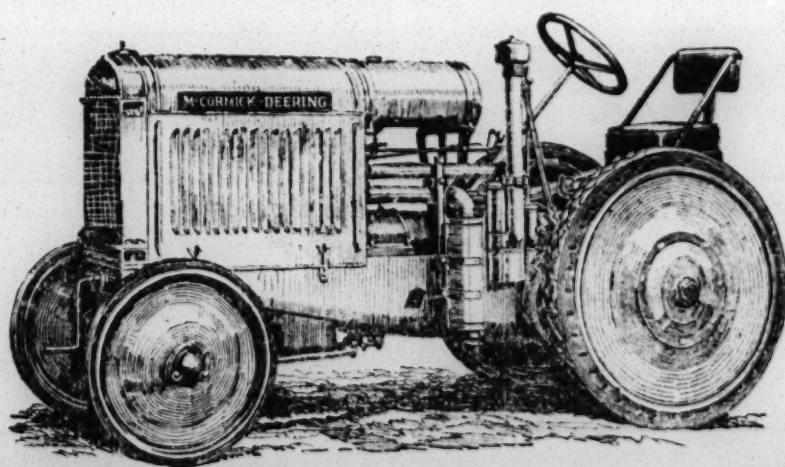


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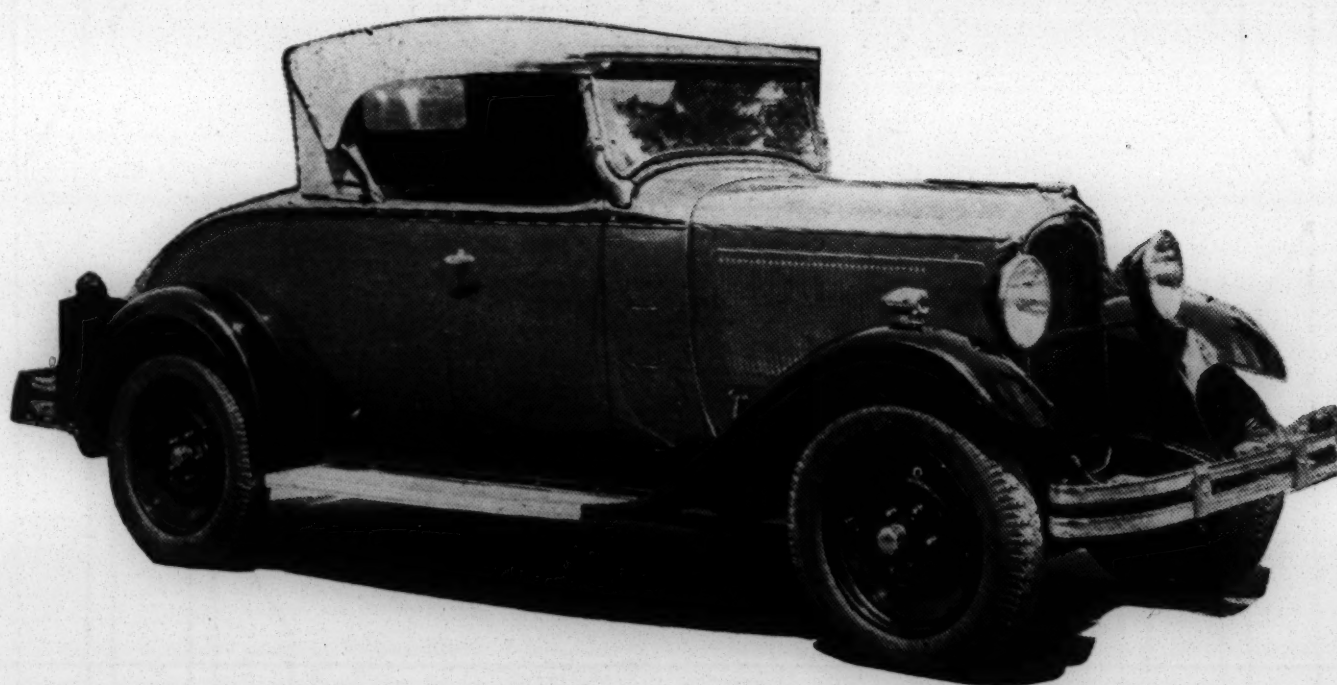
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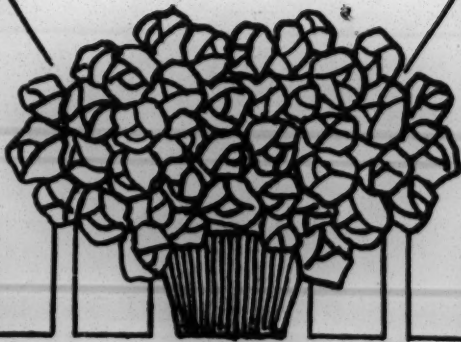
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THE CHINA WEEKLY REVIEW

Shanghai, December 19, 1931.

THE REBUILDING PROCESS IN CHINA

RECONSTRUCTION in China continues apace despite many apparent signs to the contrary. In order to reconstruct it is necessary first to tear down. The unfortunate part of it is that the world generally is more interested in the tearing down process than in the rebuilding. Hundreds will run to see a destructive conflagration, where only one or two will bide their time to watch the more important process of erecting a bridge or a building. The same distorted emphasis as to what is "important" in China is reflected in the news sent out of this country, and as a result people abroad get a wrong perspective. Despite the ravages of bandits, despite the occasional clashes between the followers of rival military chieftains, and many other incidents which tend to disturb the ordinarily peaceful and uneventful life of the four hundred millions of people of this country there is a steady trend towards development and improvement. New roads are being constructed in all parts of the country, motor bus routes are being extended, airplane routes are inaugurated and maintained, new electric light and power stations are being erected, and—particularly, because of the impetus that has been given to manufacturing enterprises by the recently inaugurated policy of a protective tariff—new manufacturing establishments of many different kinds are being built in various parts of the country. *The Review* regularly prints several pages under the heading "In the Fields of Finance and Reconstruction" and a reference to same confirms the fact that the reconstruction process covers a very wide range. A great deal of this reconstruction centers around the foreign settlements, but it is a mistake to attribute this to the fact that they are *foreign*. The principal reason is that these are the strategic locations and the foreigners of half a century and more ago saw their possibilities, whereas the Chinese did not. The situation is quite different today. It is the Chinese themselves that are doing the developing—much more than the foreigners.

In the country generally it is probably correct to say that the greatest development, comparatively speaking, is in the line of transportation. China has still a long way to go before it approaches America or European countries in its road systems, but the relative progress has been just as great. Up until recent years vast sections of China had no roads whatever, merely narrow paths, sometimes flagged and sometimes not, along which the burden bearer and the wheelbarrowman wended their weary way. Now actual work on through highways is being carried on in all parts of the country, and more are being planned. Motor bus transportation is being introduced in nearly all sections, and as soon as there is a reasonable advance in the price silver we may expect to see a decided spurt in the sale of motor buses.

Although China has the reputation of being a cheap

market, it is a surprising fact that a large part of the machinery being shipped to this country is the best of its kind and of the very latest pattern. Nowhere either in America or England can there be found more up-to-date and better equipped cotton mills than several which have been erected in recent years in Shanghai. The electrical industry is likewise making rapid strides in China. No people in the world are more ready to spend money for color and brilliance than are the Chinese, and the way the Neon light has "caught on" in China is really remarkable.

That the Chinese people are conservative is true, but if any one thinks that this trait of conservativeness blinds them to the advantages of the improvement of their manufacturing methods he is very much mistaken. Side by side with their conservativeness the Chinese have an even more pronounced characteristic, namely a penchant for speculation—gambling, if you like. Where many a salesman for a new manufacturing device or system makes the mistake is not to realize this fact. But there are no people in the world more ready than the Chinese to change from the old method to the new, *provided they are "shown" that the new method assures them a reasonable chance of making more money.* No salesman could want any better "prospects" than that.

China has suffered during the past year one of the most devastating floods that has been known in this country or any other. The recuperative power of the Chinese has never been better exemplified than in this crisis. The great majority have sturdily proceeded with the task of draining their soggy fields, rebuilding their ruined houses, and, thanks to the aid which they have received from many countries, and particularly from the Overseas Chinese, they have made rapid progress.

In the reconstruction of China the Chinese Overseas, particularly in the Penang-Singapore-Dutch East Indies region, will take a very prominent part. The balance of trade is at present against China, but the deficit has been considerably reduced by the very large sums which the Overseas Chinese are regularly remitting here. These remittances from Overseas Chinese are a regular feature of Chinese economic life as the more opulent Chinese abroad are always ready to contribute towards the support of their (in at least some instances) less fortunate relatives at home. But there has been, during the past year or more, another reason why Chinese Overseas money has come into the country in large volume, namely that the countries which the Overseas Chinese inhabit are mostly on a gold basis and they have been able to build up reserves here in silver, or to make investments here at an exceptionally favorable figure, reckoned in the money current in the lands of their adoption.

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Greater Shanghai's Constructive Achievements During Past Four Years

By HOH CHIH-HSIANG

SINCE the creation of Shanghai into a municipality by the National Government in 1927, a new era of extensive construction has been ushered in and despite political upheavals and financial difficulties, great material progress has been achieved during the past four years. The progress has been particularly striking as regards road development and building construction. Many narrow, tortuous and rugged streets have been replaced by modern and well-paved roads, thus greatly facilitating inter-communication in the city. Old, tottering and badly-ventilated houses in many parts of the Municipality have been demolished and new modern buildings are being erected in their places. A series of constructive measures in the erection and repairing of bridges and markets has been executed, while the Whangpoo River frontage has been improved and new wharves have been projected. The drainage system has also been reformed with the laying of new pipes under the main roads. Installation of powerful lamps on the principal streets represents another great improvement in the city's construction. Harbor development, river dredging and public utilities have been likewise attended. In short, the city has been completely renovated as compared with conditions four years ago.

Renovation Of The Old City Roads

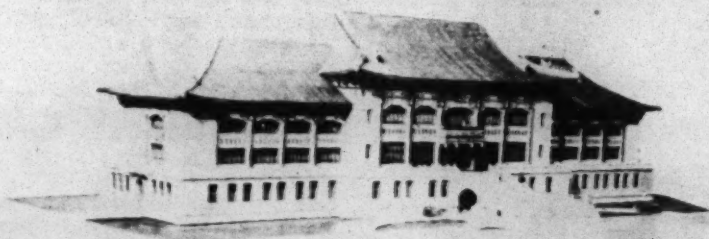
With the renovation of the old city districts and development of public enterprises, a New Civic Center has been planned in the Kiangwan district, marking the beginning of another period of municipal expansion. The Civic Center scheme calls for the creation of a new modern city and trade port on the bank of the Whangpoo River which, when plans have been fully realized, will rival both the International Settlement and French Concession in commercial importance, owing to its advantageous location near the mouth of the Whangpoo River.

The construction work of the Greater Shanghai Municipality during the past four years consists mainly of renovation of the old city districts. Under the able direction of Mr. Shen Yi, Commissioner of Public Works of the Municipality, and through the co-ordination of other municipal departments, a comprehensive program for city planning and projection has been inaugurated and systematically carried out. As a preliminary step towards realization of this program, the Bureau of Public Works first proceeded with the work of road building and repairing with a mapped out system for the entire Municipality. This system is all comprehensive, including the old roads already constructed in Nantao (Southern district) and Chapel (Northern district), new roads in the Western district and various extra-Concession roads. To facilitate the plans of road development, the roads are divided into trunk and branch system. Road development is particularly striking in Nantao and Chapel, while Pootung has also made considerable progress. During the past four years, roads to a total length of 67 kilometers have been built, 23 kilometers of which are macadamised with asphalted surface and 38 kilometers cinder roads, and six kilometers of stone-chip pavement. Roads renovated total 65 kilometers in length, such as the Great East Gate Road and others. Among the new roads built, particular mention should be made of the newly completed Chunshan Highway, which extends from the Lunghua Pagoda to the sea shore in Woosung traversing many populous and business districts. The highway measures 13 kilometers in length and 24 feet in width. The road was first projected in 1926 under the mayoralty of Dr. V. K. Ting, when Gen. Sun Chuan-fang reigned supreme in Shanghai. Since that time, construction work has been intermittently carried on and finally brought to

completion early this year. It is built with dirt surface, broad and lined with trees on both sides. Construction of the North Chunshan Road, which is an extension of the Chunshan Highway, is also making headway and six kilometers have been completed. Work on the Pootung Road, which is stone pavement, connecting Pootung with Kiaochao, a town near the sea shore, has been progressing since December 1930 and two-thirds of the road are now open to traffic. In addition, several new roads have been built in the New Civic Center, which will be given detailed mention in a later paragraph. An interesting feature to be noted in connection with road development is the filling up of several ditches in Nantao, which, through the piling of refuse and dirt, have been developed into well-paved roadways.

Intimately connected with the road problem is the development of drainage and the sewage system in Greater Shanghai, which has received considerable attention from the Municipal officials and made much progress. The sewage system was first constructed before the establishment of the Municipal Government, and during the past four years 132 kilometers of water-pipes have been laid under the main roads in various parts of the Municipality. Other important construction measures include the planned improvement of the Nantao waterfront, which called for an initial expense of more than \$150,000, repair of wharves,

widening of the Bund and dredging of the Whangpoo River. Since the establishment of the Municipal Government, 41 new bridges have been constructed or remodelled and 23 wharves built and repaired. Twelve old wharves belonging to the China Merchants Steam Navigation Company, which were taken over by the Greater Shanghai Municipality Government last year, have also undergone repairs and are now being put into serviceable condition. In addition to the above enterprises several new markets have been built, and new parks, public recreation grounds and swimming



The Administration Building

pools have been projected.

Building Construction

The past four years have witnessed an immense amount of building construction work in Shanghai. Throughout the entire city, including the International Settlement and French Concession, new and modern houses, equipped with the latest building conveniences and sanitary installations have been rising up to replace old buildings. In the Greater Shanghai Municipality, Nantao and Chapel take the lead in building activities, where demolition has been most extensive. Although the statistics are unavailable as regards the actual number of permits for the construction of new buildings and remodelling of old ones, it is safe to say that in the course of the past five years, several thousands of new residential houses, shops, offices and public buildings have been erected. For instance, the West Gate, one of the most prosperous districts in the native city, is at present the scene of active building construction. A five-story National Products Museum building has been planned before the Chen Chi-mei Memorial pagoda upon a large site of land near the tramway station where old and dilapidated shop buildings have been pulled down to make way for the new building construction of which will be commenced immediately. Of the changing native districts, one of the most outstanding features is the building of the new apartment houses for the poor to do away with the straw huts which are both insanitary and highly inflammable. The first of its kind was constructed on the Chuenchanan Road in Chapel. The structure consists of 100 buildings in five rows. They are to be rented to poor tenants at a monthly

(Continued on Page 30)

The Electrification of China

By FANG FU-AN

IN countries where the fruits of materialistic civilization are being enjoyed, the extent of electrification of industries requiring electro-mechanical or electric-chemical applications serves as a dependable barometer of the nation's economic progress. Due to many causes, China has not kept pace with the rest of the world in the line of electrification. Realizing the importance of it, the National Construction Commission of the National Government since 1928 has done a great deal for the development of this particular kind of constructive work. In view of the vast potential wealth of China, the future prospect of it is unlimited. According to the investigation of the National Construction Commission, no less than 825,376 kw. have been installed in the past thirty years and this total is made up by some 724 scattered generating plants, representing an investment of approximately ¥140,000,000. In the next twenty-five years as planned by the National Construction Commission, China will have another 5,000,000 kw. representing an installation cost of \$2,583,000,000. This entire project will be undertaken in five periods of five years each.

Gradual Increase of Power Plants

China had 724 electric power and light plants, aggregating 825,376 kw. of which only 17 plants were owned by the Government according to the investigation of the National Construction Commission by the end of 1929. In 1902 the first electric power company was established. In 1912 the number reached 50. Ever since 1912, the increase was great and the total number reached 250 in 1922. As to the distribution of these electric plants, Kiangsu stands first, then Chekiang, Kwangtung and Liaoning. As to the quantity of electricity consumed, Kiangsu stands first again, with Liaoning, Kwangtung and Hupeh ranking in the order mentioned. As to capacity, the following figures are given in the report of the investigation:

Private plants	206,138 kw.
Government plants	47,840 "
Foreign plants	273,272 "
Factory plants	308,126 "

Out of the whole number of plants, there were owned by:

Private firms	24.3%
Government	2.3%
Foreigners	4.8%
Factories	20.6%

As far as the capacity is concerned, the respective rates of percentage are as follows:

Private plants	24.7%
Government plants	5.7%
Foreign plants	32.7%
Factory plants	36.9%

When excluding the electric plants in the factories, there were 575 electric plants in the country with a total capacity of 527,240 kw. by the end of 1929.

As to the ownership of the plants, we have the following figures:

Private plants	39%
Government plants	9%
Foreign plants	52%

As to the capitalization of these plants, the respective amounts are as follows:

Private plants	Mex \$ 55,407,294.00
Government plants	16,795,082.00
Foreign plants	148,822,183.00
Total	Mex \$221,024,559.00

The National Construction Commission, which was established in the beginning of 1928 as a central organization for directing, supervising and undertaking constructive work throughout the country, has put much emphasis on the development of electricity in this country. The Nanking Electricity Works, a governmental enterprise established in 1909, was taken over by the Commission in April 1928 by order of the Central Government. Since then, the following improvements have been made:—(1) The fuel has been reduced from 4.2 cents to 2.7 cents per k.w.h. generated. (2) The electrical distribution and other losses have been reduced from 60 per cent to 38 per cent of the total energy generated. (3) Under the former management, the monthly revenue of \$30,000 was barely sufficient to meet the ex-

penses. The Commission reports that the revenue has now been increased to ¥90,000 per month, with a monthly expenditure of approximately ¥30,000. (4) The rate for lighting has been reduced from 24 cents to 22 cents per k.w.h. (5) An increase of electrical output from 350,000 k.w.h. to 800,000 k.w.h. per month has been effected by an addition of several new units aggregating 3,200 kw.

The improvement of Tsishuwen Electricity Works is another important step forward. This plant is located on the north side of the Nanking-Shanghai Railway, about 30 miles from Wusih. Originally it was a private enterprise undertaken by a company composed of Chinese and German merchants in 1921, but it proved a business failure. In October 1928, the Commission took over the management and control as requested by the representatives of the shareholders of the company and of the affected consumers. The following improvements have been made: (1) The monthly revenue has been increased from \$42,000 to \$80,000 with only a slight increase in the expenditure. (2) In Wusih the rate for lighting has been reduced from 26 cents to 16.2 cents and in Changchow from 22 cents to 18 cents. The rate for power has been considerably reduced. (3) The fuel cost has been reduced from 1.83 cents to 1.46 cents per k.w.h. generated. (4) Besides lighting, this plant supplies power to more than 100 factories and also for the irrigation for more than 4,000 mou of land.

In Chekiang, an Electricity Bureau was established under the Provincial Commission of Construction which was entrusted with a sum of \$1,980,000 for the development of electricity in the entire province. A program of electrical development, covering a period of five years is now being formulated in accordance with the national electrification scheme. It involves the construction of a fifteen-thousand kilowatt initial unit for a generating station at Hangchow, and the erection of transmission lines to Yuhang, Kashing, and Huchow. The construction of irrigation and drainage plants and the addition of a second unit to the Hangchow plant of 15,000-kilowatt capacity and an electric railway system for the city of Hangchow are expected to begin during this period. The Electricity Bureau has also taken over the Dah Yoh Lee Electricity Works of Hangchow, which was not successfully managed. In the past year the said company under the management of the Electricity Bureau has reduced its expenses from \$56,000 per month to \$45,000 while the gross receipt was increased from \$80,000 to \$120,000 per month.

Stupendous Project Planned

Not only this, the National Construction Commission is planning a far more ambitious enterprise in electrical manufacturing and visions in the future a great modern plant to be erected at a cost of \$10,000,000. It is estimated that from 1924 to 1928 the value of imported electrical supplies increased from ¥9,000,000 to ¥12,600,000. The existing Nantao plant, known as the Government Electric Works will have an immediate development at an estimated outlay of \$500,000. In connection with the contemplated major project a sum of \$10,000,000 will be allotted as follows:—

(1) Land and Factory building	\$2,000,000
(2) Machinery	3,500,000
(3) Light railway	500,000
(4) Preliminary expenses	100,000
(5) Running capital	3,500,000
(6) Educational expenses for engineers and fitters	200,000
(7) Miscellaneous Expenses	200,000

For the electrification of China, according to the plan of the National Construction Commission, 5,000,000 kw. with an installation cost of \$2,583,000,000 will be undertaking in the coming twenty-five years. The country is divided into six districts with specific detailed plans for each of them.

When the plan is completed China with her population of 500 million and vast potential wealth should have an annual consumption of electricity at the neighbourhood of about 33,956,000 k.w.h. At an average cost of five cents per kw., this will mean an annual business of \$1,697,800,000 not mentioning the power to be consumed by the factories of which the amount is unlimited. This electrification of China as planned by the National Construction Commission will not only transform the entire economic system of the country but also the social life of the Chinese in view of the substitution of human-energy by electricity. The construction of this gigantic plan will be watched with keen interest by the entire world, and the plan can only be realized by the joint effort of the people and Government.

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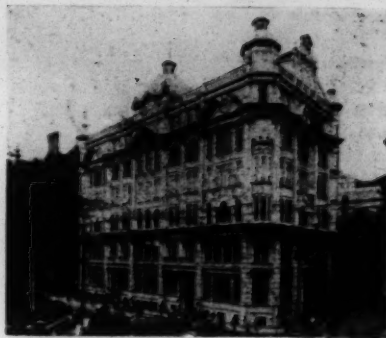
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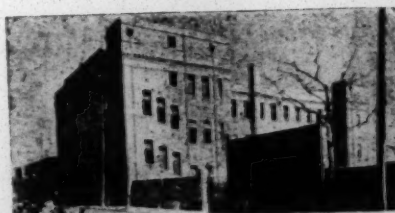
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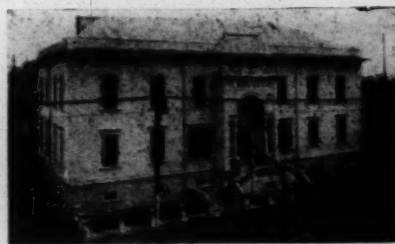


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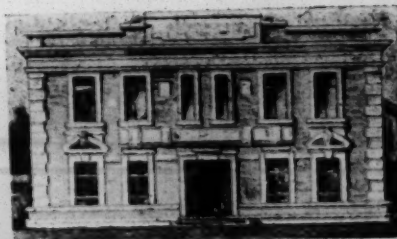
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The Industrial Reconstruction of China

By H. H. KUNG

IN my capacity as Minister of Industries I consider it my duty to call the attention of my countrymen to the fact that China today is facing a serious economic crisis, and to urge them to make every possible effort, both in the field of industry and of commerce, to promote that prosperity which only comes from increased production. China is known to be an agricultural country, yet she has to import enormous quantities of wheat and flour from abroad. Prof. Paul Monroe, when he visited this country some time ago, pointed out that while only a quarter of the population of the United States is engaged in agriculture, yet it produces more than enough foodstuffs to supply the whole nation, whereas the three-quarters of China's population which is engaged in farming cannot produce enough to feed the remaining quarter of our people.

The only explanation of this lamentable state of affairs is that our agrarian population employs primitive and inefficient methods, and one of the most important tasks falling upon this Ministry is to encourage the adoption of more modern and scientific methods of agriculture. We must improve both the quality and the quantity of our crops and make more use of mechanical methods of farming. In territory such as the Three Eastern Provinces farmers should be encouraged to raise wheat on the large-scale plan followed in Canada, the United States, and other great wheat-growing countries. Grain elevators and flour-mills must be built, farmers must be helped financially and given assistance in the marketing of their crops. Experts should be engaged to make a study of conditions with a view to selecting the most suitable seed for different localities, and to give such advice as farmers may need for the better cultivation of their crops. In short, nothing should be left undone which is necessary to develop China's agricultural industries to the stage which will make her independent of foreign food supplies and absolutely self-supporting.

Trade Balance Against China

For nearly thirty years the balance of foreign trade has been unfavorable to China. The Customs returns show that in 1902 imports exceeded exports by 100,000,000 Haikwan Taels, while the returns for 1930 show an excess of imports of 415,000,000 Haikwan Taels. There are two reasons for this state of affairs—China produces too little to meet her needs, and her industries being poorly developed the country offers a good market for the surplus production of foreign countries. China's exports are much lower than they should be, and her imports are much higher than they should be, and thus we have this continual balance of trade against us.

The restrictions imposed upon China in regard to the Customs tariff under the unequal treaties with foreign countries were very largely responsible for the failure to develop our manufacturing industries as they might have been developed. With the restoration of tariff autonomy, however, it has been possible to impose higher duties for the protection of our infant industries, which could not possibly hope to flourish while there was a flat 5 per cent. ad valorem duty on goods imported from abroad. The result of the higher tariff has been to encourage the establishment of industries in China, both by Chinese and foreigners. China welcomes the investment of foreign capital in industrial enterprises, and at the same time we hope to see Chinese capitalists take full advantage of the great opportunity now afforded them by tariff protection, and invest their money in various branches of manufacturing industry.

China is rich in natural resources, and able to produce an enormous quantity of the raw materials required in modern industry. She has an abundant supply of labor, and the Chinese are an industrious people who, properly trained, will make highly efficient factory-workers. All that is now needed is encouragement to start new industrial undertakings, with the assurance that adequate protection will be given against unfair competition. The Law for the Encouragement of the Development of Special Industries, drawn up by the former Ministry of Industry, Commerce and Labor, was expressly designed to this end, and as conditions in the country gradually become more settled we believe Chinese capitalists will realize the great possibilities which are opening up for profitable investments. By thus assisting in the great work of industrial reconstruction, which was one of the objectives of Dr. Sun Yat-

sen, promoters of such enterprises will not only meet the present actual needs of the people, but will encourage a raising of the general standard of living and give much more employment to a better trained and therefore better paid class of worker.

The Ministry's Program

In laying down his plans for industrial reconstruction, Dr. Sun Yat-sen pointed out that three great principles have to be kept in mind—Industries which can be developed most easily, and enterprises which meet the most urgent requirements of the nation, and which offer the quickest and most profitable return, should be developed first. Guided by these principles, the Ministry of Industries has

worked out a program, and the recent decision of the State Council to establish a body of experts to be known as the Economic Council is most timely. The Economic Council will make a study of local conditions and work in cooperation with the local authorities in planning projects in connection with the reconstruction program. The Economic Council will also make reports to the Government and submit suggestion for approval, and in all possible ways will encourage intensive activity along the lines proposed by the Ministry of Industries in order to complete this great work within a certain fixed time, at the end of which we hope to see China a prosperous and progressive nation.

For the discussion of industrial and commercial problems a National Conference was held November last year attended by more than 400 delegates representing industrial and commercial interests in parts of the country. A number of resolutions were adopted, some of which have been already put into effect. Shortly afterwards another

conference was held to discuss the standardisation of weights and measures on a new system which corresponds to the international metric system. As a result a law has been passed enforcing the observance of the new scale of weights and measures throughout the country, thus removing one more obstacle to the free development of industry and commerce by insisting upon uniformity.

Another aspect of the standardisation question which should be mentioned is the work being done by the Bureau of Inspection and Testing of Commercial Commodities. Many complaints have been made in the past by foreign buyers that Chinese products vary greatly in quality, and worse still that some merchants resort to adulteration and other dishonest practices. By insisting that certain commodities have to pass examination by Bureau inspectors before export permits are issued we have been able to remove the cause of complaint on this score. The activities of these Bureaux have been greatly extended, and will be further widened should necessity arise in order to ensure the strict observance of the definite standard of quality expected by buyers abroad.

Development Of Basic Industries

It is urgently necessary for China to develop her basic industries such as the production of coal, iron and steel, and to increase her production of such necessities as cotton and other textiles, matches, cement, porcelain, etc. In order to encourage the establishment of such enterprises as woollen-mills, sugar-refineries, and chemical-works the Ministry of Industries proposed to raise, by instalments, a loan of \$50,000,000 for the building of factories and the purchase of necessary equipment. Hydro-electric power is another very important factor in the industrial reconstruction of China, and the Ministry is planning to utilize the vast power now running to waste in the Yangtze Rapids, and to harness the waters of the great rivers in Yunnan, Szechuen, Hunan and elsewhere in order to produce power by other means than the consumption of coal, which is abundant only in North China.

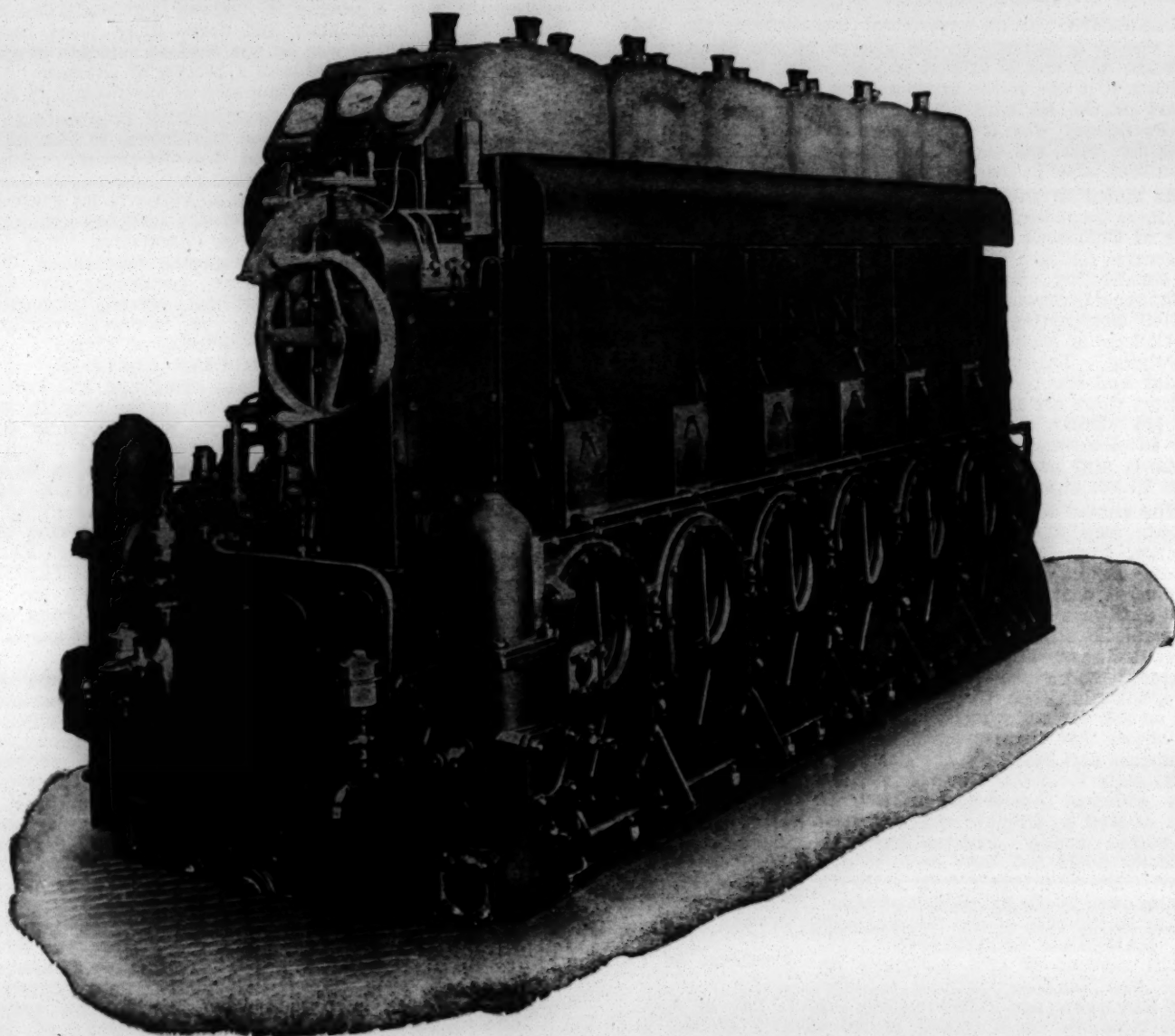
Fisheries and the forests are also being given careful attention in the general scheme of developing the country's natural resources, and both industries are being encouraged by the assistance of experts appointed to make plans for developing the mineral resources of the Three Eastern Provinces. The importance of having men with expert knowledge to instruct and assist the uninitiated in their labors is fully recognized, especially, in regard to mining. An Institute for Training Technical Experts has been established for the special purpose of preparing suitable

(Continued on Page 30)



Dr. H. H. Kung,
Minister of Industries

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Where China Trains Her Engineers

By USANG LY

CHIAOTUNG University is the outgrowth of Nanyang University which in turn is the outgrowth of Nanyang College. It is now composed of the Tangshan College at Tangshan and Peiping College at Peiping (Peking) as well as the Nanyang Colleges at Shanghai where the President and Vice-President reside and administer its affairs.

ACCORDING to its provisional constitution, the University is directly in the charge of the Ministry of Railways; as a matter of fact and according to history and tradition, it is one of the organizations that belongs to, and is part of the Ministry. According to its constitution a Vice-Presidency was created and upon invitation, Mr. J. Usang Ly, who was then Counsellor of the Ministry, assumed that office in the Summer (1929).

As stated in the constitution, since the last academic year there have been several colleges flourishing under the name of Chiaotung University; namely, the several Colleges at Sicawei, Shanghai, constituting what has been known as Nanyang University, then the College of Civil Engineering at Tangshan and the College of Railway Administration at Peiping. Taking all colleges into account and the preparatory schools in addition, there are in the University record 130 officers and clerks, 46 professors, 86 lecturers, 22 instructors and assistants and nearly 1,500 students of whom 25 are girls.

The annual budget of the University amounts over \$1,000,000 excluding any collection from the students. There is but one source of support at present and that is contributions from the National Railways according to the rules and regulations laid down by the Ministry of Railways. For land and building, equipment and research, professorship and scholarship, the University is obliged to ask for endowment and its record shows that there are scholarships, equipments and buildings, the donors of which, aside from the Government, are many generous Americans and Europeans as well as Chinese citizens without whose hearty contributions the University could not have been so developed. Every graduate feels at heart what he owes to the generosity of Mankind, as to the care of the Government.

NANYANG UNIVERSITY

The nucleus of this university or college was Nanyang Institute founded thirty-four years ago (1896) on the Eighth Day of April. It was organized on a ground of 120 Mow in Sicawei by H. E. Shen Hsuan-wei, then Managing Director of the China Merchants Steam Navigation Company and the Imperial Chinese Telegraph Administration. With the sanction of the Imperial Government he appropriated from the Company and the Administration 100,000 Taels to meet its annual expenditure.

At first the Institute was only a normal school; but soon a preparatory department was added. Five years later, it became a school of economics and political science.

Eight years later it passed from the control of the Telegraph Administration to that of the Ministry of Commerce and subsequently was called the Imperial Commercial College. A commercial course and a civil engineering course were adopted instead of the old curriculum. When the China Merchants Steam Navigation Company and the Imperial Chinese Telegraph Administration were transferred from the Ministry of Commerce to the Ministry of Posts and Telegraphs, the latter assumed the control of the college, and changed its name into the Imperial Polytechnic Institute.

Ten years later only the civil engineering course was maintained and in the succeeding year a course in electrical engineering was incorporated. Twelve years later a course in steam navigation was given, but was continued for only two years when a separate school for it was established elsewhere. In the next year (1911) while the Revolution broke out against the Imperial Government, the Institute still in the charge of its most devoted President, Mr. W. C.

Tang, assumed a new name that has ever since become world-known, Nanyang College.

When the Chinese Republican Government took the place of the Manchu Imperial Government, the Ministry of Communications took the place of the Ministry of Posts and Telegraphs, and the college took the name of Shanghai Institute of Technology (1911).

Beginning with the seventh year of the Republic, graduation required four years instead of three; in the subsequent year a course in railway administration was added to the curriculum; and three more years having elapsed, the Institute was on the road to a larger development and began to go through a process of changes.

Nanyang University is composed of the College of Railway Administration; the College of Civil Engineering, the College of Electrical Engineering, the College of Mechanical Engineering, 84 students; and the Preparatory School. Partly due to its location at Shanghai and partly due to its standard of learning, perhaps Nanyang to its graduates is like a trade mark to some universally accepted commodity.

tively with few exceptions they are wanted and respected everywhere. They Nanyang students, numbering over 1,000, stand for faithful service. Comparative vanguards of technical education for the development of China.

TANGSHAN COLLEGE

This College completed the twenty-fifth year of its history on May 15, 1931. It was intended to be a school of mining and civil engineering and it was so named at first. For a time its annual budget was made up of 110,000 Taels approximately, contributed according to an Imperial Order by the railways connecting with Peking and the Kailan Mining Administration (at Tientsin). Fittingly established, it was in the full charge of the Ministry of Posts and Telegraph just as the "Nanyang College" was then.

When the Republic of China was founded and the seat of Government was transferred from Nanking to Peking (Peiping), the Ministry of Communications succeeding the Ministry of Posts and Telegraph, automatically took over the control of the school; and as no mining course was ever given, its name was simplified to become Tangshan Railway Technical College. In that year and for the first time in its history, there were twenty graduates.

From the second year of our Republic up to the tenth when the ministerial consolidation plan was enforced, the College had another name known as

Tangshan Institute of Technology. During this period, especially toward its end, the College increased and improved the modern equipment which was needed and which has ever since been considered the best of its kind in China. A course in mechanical engineering was incorporated in the regular curriculum.

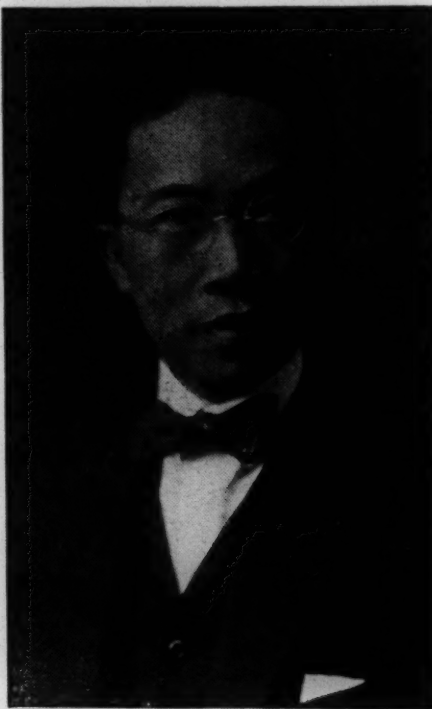
As a result of the consolidation that was effected ten years ago, the course in mechanical engineering was discontinued as it was transferred (without the equipment, however,) to the "Nanyang College", while the course in civil engineering of the "Nanyang College" was joined to that of Tangshan (with almost the entire equipment). Since then the College has maintained one course: civil engineering, which embraces a wide scope.

PEIPING COLLEGE

The Peiping College was established about two years after the Tangshan College by the Ministry of Posts and Telegraph. To give a special training in administrative affairs in the field of communications, it was intended as a supplement to the Tangshan and the Nanyang schools. It was called the Institute of Training in Railway Administration. Graduation required one or three years of study, then, according to the line of service in communication which one would select to follow.

In the next year when two courses were added to the curriculum; namely, postal administration and telegraph administration, the college assumed the name of Chiaotung Training Institute. Another year elapsed and the Revolution against the Imperial Government extended north-

(Continued on Page 30)



USANG LY

President of Chiaotung University

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The Nanyang Brothers Tobacco Company :

Its Past and Present

By C. H. H.

ESSENTIALLY a luxury and an insignificant thing in itself, rolled tobacco has become increasingly popular with the Chinese people and steadily claims a fixed place in our daily life in view of the enormous sums of money spent annually for its consumption. Ever since its inception, the tobacco industry in China has always been monopolized by the foreign merchants. Though several attempts were made by the Chinese merchants to manufacture cigarettes in China during the closing years of the Manchu Dynasty, these had unfortunately all ended in failure.

In 1905, the first tobacco company in China was established at Tientsin, called the Pelyang Company, by a group of northern merchants, while a year later, in the South, the Nanyang Tobacco Company sprang into existence at Hongkong, both to engage in rolled tobacco manufacture and compete with foreign merchants in this trade. Unfortunately, due to shortage of capital, the Pelyang Tobacco Company, after a brief period of existence, soon became bankrupt and was forced to close down its business. The Nanyang Tobacco Company has, however, successfully persisted, but has also experienced many vicissitudes of fortune and not until now, has it rested on a solid foundation.

The Nanyang Tobacco Company was first established by the late Mr. Kan Chao-nan, a foremost overseas Chinese business leader from Canton. In 1906, when Mr. Kan was trading abroad with his brothers and uncle, he was greatly incensed at the outrageous treatment accorded to the Chinese contract laborers in the foreign countries. Later, when Chinese contract labor was prohibited abroad, he recognised and foresaw the imperative need of developing Chinese industries as a means of the country's economic salvation and avenging the insult to the Chinese laborers abroad. At first, he contemplated to establish a factory for the manufacture of imitation foreign goods for China's domestic consumption and as the rolled tobacco was gradually becoming popular among the Chinese people at that time, he decided to establish a tobacco manufactory to disrupt the foreign monopoly and to afford employment to the toiling masses of the country. Therefore, he made a thorough study of tobacco enterprise and with the assistance of his uncle and brothers, succeeded in raising a sum of \$100,000. With this fund as the capital, he established the Nanyang Tobacco Company at Hongkong in February 1906. At the beginning, the Company manufactured only two brands of cigarettes and their sale was not very popular in China. In the course of a year, all the capital was consumed. In spite of his repeated attempts to secure an increase of the capitalization of the Company, he failed to obtain the agreement of the shareholders and was compelled to declare the Company bankrupt, sustaining a total loss of more than \$200,000 and thus ending the company's short-lived existence.

Nanyang Brothers Tobacco Company

Undaunted by his initial failure which was caused partly by insufficient capital and partly by the inferior quality of the Company's products due to lack of skill in manufacture, Mr. Kan drew inspiration from the profit of his unfortunate experience and made renewed and determined efforts to launch a new adventure. His ambition was to make amends of his past failure and turn the enterprise into a ultimate success. He proceeded to establish a new Company and started, soliciting subscriptions, but the public was very indifferent to his scheme and did not respond with any enthusiasm. Once more he approached his family members for financial assistance and finally succeeded in procuring sufficient funds for starting the new company. The new company was primarily a family concern and was named the Nanyang Brothers Tobacco Company which came into existence in February 1909 with its head office at Hongkong. The products of the new Company first found favor among the overseas Chinese merchants in South Sea Islands and particularly the mining laborers, whose sense of patriotism was unduly aroused on account of the oppressive attitude of the foreigners and who heartily welcomed the products of a Chinese Company. As the miners migrated from place to place, they usually carried with them large cartons of a particular brand of the Company's products the "Shuan-Hsi" Brand Cigarettes. Consequently, the Company's products were spread throughout all the ports in Siam, Singapore, and the South Sea Islands. In 1915, the Company was involved in a serious dispute with a foreign tobacco company over a certain brand of



cigarettes. The latter charged the Company's brand as being an imitation of its products and forced the former to change the design. Owing to the oppressive pressure brought to bear upon it, the Company had to re-name the brand and exposed the whole trouble before the public. Great resentment was aroused among the Chinese over the foreign Company's unjust action and this produced a curious effect in pushing up the sale of the Company's products. Business prospered at so rapid a speed that the Company's products fell short of the market demands. In order to increase its production and also with a view to extend its business in the interior of China, the company opened its first branch office at Canton. Later, in view of the importance of Peking as the then Capital of China and Shanghai as a great commercial metropolis, further extension of its business was decided upon and branch offices were established at both places. In the winter of 1915, the Company was registered with the Ministry of Agriculture and Commerce as a Limited Company with a total capital of \$5,000,000. In the course of a few years, branches spread throughout all the provinces of China and the various ports in the South Seas Islands. In Shanghai, a manufacturing plant had to be established in order to cope with the increasing demands in the interior markets.

Formerly, all kinds of tobacco leaf were imported from abroad and rolled into cigarettes in China. It is the Nanyang Brothers Tobacco Company which first introduced tobacco seeds from America and taught the Chinese farmers to raise and cultivate them on Chinese soil. At first, they were only grown in Shantung and later their cultivation was gradually extended into other provinces, Anhwei and Honan. The plantations in these provinces yield a huge crop of leaf annually for the company, and the cigarettes made of the native grown tobacco have enjoyed much popularity both in China and abroad. The business of the Company grew by leaps and bounds, but in the meantime its prosperity has greatly aroused the jealousies of its competitors and troubles ensued. Their competitors began to circulate unfounded

rumors regarding the Company's status and spared no effort to defeat its claim as a Chinese industry. Thanks to the good offices and explanation of the Shanghai Chinese General Chamber of Commerce, Shanghai Overseas Chinese Merchants Union, and various other commercial bodies, the crisis of the Company was finally averted. As a result of this, the Company itself had at that time undergone a thorough reorganization and has since become a corporation instead of a Kan's Brothers' proprietary company.

In 1919, Mr. Kan in order to enlist the support of all Chinese leading industrialists and financiers for the development of tobacco industry in China, decided to expand the organization of the Company and merged it into a new bigger corporation. A new prospectus was issued by the reorganized Company with a total capital of \$15,000,000, inviting subscription from the Chinese public, both in China and abroad. Among those who subscribed the shares of the new Company, were included the late President Li Yuan-hung, the provincial Governors of Chekiang and Hupeh and various merchant leaders throughout the whole country. The number of share-holders now total more than 15,000 people. The new Company was registered with the Ministry of Agriculture and Commerce and began to function on November 1, 1919.

Since its reorganization, the Company which still retains its former name of Nanyang Brothers Tobacco Company has greatly expanded its business. At present, it has three manufacturing plants in Hongkong, five in Shanghai, one in Batavia and one at Hankow which will be shortly opened. In addition, there are also several plants for leaf-drying, one at Feng-Tse-Ho in Shantung, two at Hsuehchow in Honan and one in Shanghai. As regards the Company's products, there are now more than 40 brands on the market both in China and abroad, the most popular being the Gold Dragon, Great Wall, the Pearl, Ta Shee, etc. The Company now has a total capitalization of \$15,000,000 and is the largest and most powerful organization in the tobacco industry in China.

Construction Work In Chinese Cities

By FANG FU-AN

IN Hangchow and Soochow, one finds pagodas and bridges, the symbols of Chinese art and beauty. They represent the beautiful structure of ancient Cathay. In Canton, one finds a whole city of monuments—monuments of the unknown soldiers and dare-to-die revolutionaries. They represent the regeneration of new China—the landmark of a new era. These monuments are in the forms of arches, pillars, as well as memorial libraries, roads, universities, and lecture halls. The construction of these memorial monuments stimulated the vast city plan which transformed Canton into a new city. As declared by Mr. T. K. Ching, the Commissioner of Public Works in Canton, "When the three year construction plan of new Canton is completed, none of you visitors will be able to recognize it."

The Renovation Of Canton

The first of the motor roads in Canton was built in 1912. It is noteworthy that in carrying out this initial enterprise a mark of the ancient past was obliterated, for the new thoroughfare belting the city was constructed upon the ruins of the ancient city wall that was built in the Chow Dynasty, 500 B. C. By the end of 1930, Canton had more than fifty-six miles of roads. More than ten miles of the roads are asphalted; about fifteen are cement roads and about ten miles of new roads are in course of construction. The Three Year Plan of Canton will give the city a total of two hundred miles of modern highways in addition to a system of motor roads linking the suburbs and numerous outlying villages. This building of new roads has greatly increased the size of the city. In former days, the area of Canton was eight square miles. The size of the city is growing. When the Three Year Plan is completed Canton will have ultimately an area of sixty square miles.

According to the project of the City Planning Commission, Canton is to be built in three zones—industrial, residential, and commercial with her civic center built in a location known at present as the Central Park. Tungshan, which is the eastern district of Canton has been developed as the residential district of the city. Model villages instead of the "terraces" known to us in Shanghai were built by the Public Works Department so that merchants and general public can easily copy that which gives the best provisions for ventilation, recreation grounds for children, open land, and other necessary provisions for the guarantee of health. Not only this, the Public Works Department together with the Bureau of Social Affairs have erected five "Poor People's Cottages" at a cost of \$76,580 each. These houses are rented to the poor people of the city at a rental of eighty cents a month. The five cottages have an accommodation for 2,000 people. Huge buildings, department stores, hotels are newly built along the Bund and Taiping Road. The Civic Center as drawn by Mr. Lam Kamin, will cost a sum of \$1,200,000 for the City Treasury. The contract for the construction has been signed between the Public Works Department of Canton and Wen Hua Company. The Civic Center will be located in the Central Park, at the back of the Chung San or Dr. Sun Yat-sen Memorial Hall. The Chung Shan memorial hall was designed by Mr. Liu Yen-chi, the same architect who designed Dr. Sun's Mausoleum at Nanking. The new hall which is near completion has an accommodation for more than 10,000 people, being probably the biggest auditorium in China.

In the field of public utilities, Canton has installed

an automatic telephone system—by the China Electric Company. The initial equipment of 4,000 automatic telephone lines of the Standard Electric rotary machine switching type was installed with an ultimate capacity of 10,000 lines in the city of Canton, and an initial equipment of 300 lines with an ultimate capacity of 800 lines of the island of Honam. This work was completed last year at a cost of \$690,000 gold. The other form of public utility under construction in the city is the building of an additional water works in the city. Canton has already two water supply systems, one at Tung San, the residential district and another for the commercial and industrial districts of Canton. The Tung San Water Works was completed two years ago. This new addition is costing the city a sum of about \$2,000,000. Three electrically driven low-lift pumps with a capacity of handling 5,000,000 gallons of water each per hour will give the entire city a sufficient supply of running water to meet the expansion of the city in the coming decade.

Other construction works, such as the building of two municipal schools at a cost of \$200,000 and the building of Dr. Sun Yet-sen Memorial Library at a cost of \$168,000 are under way. In addition to the city development plan, Canton is also making plans for the construction of a deep water harbor at Whampoa at a cost of \$1,720,000. It is estimated that the grand total cost of construction of various kinds runs to about \$25,655,000. This does not include those projects in consideration but actual work completed and those underway. If peace can be maintained in the city in order to allow a breath of business prosperity, China will be proud of a most up-to-date city in her southern coast.

Amoy

When one travels up from Canton on the China coast, one finds another rapid developing city which China is proud of. Amoy, a rocky island was practically unknown to the outsiders. It has never been developed into an important port because of the constant visit of pirates and the shortage of water in the island. Formerly people had to carry water on water-boats from a distance of twenty miles. In the old days, there was practically no water available for the people. Amoy might have been deserted by the inhabitants and remained a deserted land, had

it not been due to the notable work of a young Chinese, Mr. Homer Ling, a graduate of Harvard University and Massachusetts Institute of Technology, who built the Amoy Water Works after the disappointment of the entire city because of the failure of the Japanese and British engineers in trying to build a water system in 1923. At present, Amoy boasts of a model water works system in excellent running condition. The filter beds and the ozonating plants are amongst the best in the world and next to none in the Far East. The reservoir is located in the hills far away from danger of contamination. At present the plant supplies one million gallons of pure water every day. The Water Works is considering an additional reservoir and laying of additional pipes which is estimated to cost about \$1,500,000. The success of the completion of the water-works and the benefit rendered by it has not only freed the city from constant epidemics of small-pox, cholera, and dysentery but also the development of the city as an important sea port as well as general construction of a new



Taiping Road, Canton

(Continued on Page 26)

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Cultural China Rises Militant

By JOHN GOETTE

SILENTLY, swiftly and with uncombatable vigor, the scientist of China has freed his country of the untrammelled privileges of the alien explorers whose expeditions and collections of specimens have stocked American and European museums with rare pieces. The battle has been won in less than three years and the list of vanquished foreign scientists is formidable. Roy Chapman Andrews, hero among American explorers, Dr. Sven Hedin of Sweden, and even Sir Aurel Stein, pride of Great Britain, have found it necessary to kowtow to the power of the small group of militant Chinese scientists and men of letters.

Important institutions have found themselves balked by these newly aroused Wise Men of the East. The American Museum of Natural History of New York after many years of continuous exploration in Mongolia under the leadership of Roy Chapman Andrews found the new Chinese too strong for them and have quit the field. Dr. Hedin's backers submitted, and his expedition had to work with stringently clipped wings. The Harvard Yenching Institute, the Fogg Museum of Art, the British Museum and the Indian Archaeological Survey, joint supporters of Sir Aurel Stein, realized that their leader was too fiery for the changed conditions in China and cautioned him to cooperate more closely with these ascendant scientific dictators of China.

This curtailment is bitter to such institutions whose workers had once tasted of the old freedom. They resent it and a shift in policy has been grudgingly made or the work dropped entirely as the American Museum of Natural History did. On the other hand the Rockefeller Foundation had the foresight to take advantage of the new adjustment and their financing of the Chinese and Canadian scientists who unearthed and made famous the "Peking Man", is a noteworthy example of Sino-American cooperation.

Under the Chinese—Not Over Them

Dr. Davidson Black, Canadian anatomist, under whose skillful fingers *Sinanthropus pekinensis* has been cleaned from its stone bed, frankly admits that he is working under the Chinese and not over them as his American and European confreres of the past have not done. It is the National Geological Survey of China that owns the skull of the "Peking Man." Symbolic of the new China is the fact that it will remain here in its ancestral home and not grace the case of some alien museum. Roy Chapman Andrews has repeatedly paid the graceful tribute of declaring that he would be willing to give ten years of his life to have found the skull of *Sinanthropus pekinensis*, but there is ample reason to imagine that many a cloud would have darkened the horizon had he done so. Contrasted with that probability, is the serene manner in which the great task of preparing and presenting to the world all the known facts relating to this important fragment of early man has progressed.

Professor G. Elliot Smith of London has epitomized this cooperation when he asserted that the "admirable way in which the work has been conducted is due in the first place to the organizing ability of Dr. Wang Wen-hao. Director of the National Geological Survey of China, who in the face of immense difficulties, which were intensified by the economic and political circumstances in China, has maintained the work in the field and in the laboratories and secured prompt publication of the results."

These results appear in Dr. Black's report entitled "On an adult skull of *sinanthropus pekinensis* in comparison with an adult skull of the same species and with other hominid skulls, recent and fossil." It is included in Volume VII, Series D, issue of February, 1931, of *Palaentologia Sinica*, published by the Geological Survey of China.

This work on the "Peking Man" is being done by the Cenozoic Research Laboratory of the Geological Survey of China, for which specially created department, the Rockefeller Foundation renewed the grant which had been given for the two previous years. Dr. Black is honorary director of the Laboratory, and credit has been to Mr. Roger Greene, Executive head of the Peking Union Medical College, for his support in securing the fund.

Dr. Wang Wen-hao, praised by Professor Elliot Smith, is a Belgian trained scientist, and is simultaneously a member of the group which has transformed China's position in the scientific world. It is the Commission for the Preservation of Antiquities which now calls the tune to which Dr. Andrews, Dr. Hedin, Sir Aurel and every other alien explorer must dance when he comes to Nationalist China.

Naturally there is much that can fairly be argued for both sides of the question. Because of that, it is the intention here to present only one phase, that of the awakened Chinese scholars. "The Commission is not anti-foreign nor

as nationalistic as is charged," one of the members pointed out. "We wish the fullest cooperation with the world. We are ready to exchange both ideas and specimens, but pieces of which no duplicates exist, must be retained in China to which centre we invite every one who might be interested."

The Central Asiatic Expedition went into the field in 1930. Both parties lived up to the agreement. Dr. Andrews was permitted to ship 87 cases of finds back to New York and the Museum paid the expense of the Chinese who went there to study. However, that was probably the end of Dr. Andrew's expeditions. When discussion as to the possibility of a 1931 expedition took place the Chinese Commission refused permission for exploration in the old field of Inner Mongolia. To all intents Dr. Andrews has been driven from the field by the Chinese scientists who wish to substitute Chinese endeavor for foreign.

While the Central Asiatic Expedition's fate hung in the balance, there came to China Sir Aurel Stein in search of passports for his trip to Chinese Turkestan. He was representing the Harvard Yenching Institute and the Fogg Museum, both American, as well as the British Museum and the Indian Archaeological Survey, and declared his plans to be the tracing of the route of the Chinese Buddhist pilgrim, Hsuan Tsang, who went to India in the 7th century A.D. That raised a storm, for Sir Aurel was remembered as the man who first removed scrolls and paintings from the caves at Tun Huang during his earlier visits to Turkestan. However, the National Government visaed his passports when the British Legation gave its assurances that Sir Aurel would not attempt archaeological removals. He proceeded to Chinese Turkestan whereupon the governor wired back to Nanking requesting instructions since he believed it obvious that Sir Aurel was prepared for archaeological work.

At that point the Commission for the Preservation of Antiquities actively entered the picture. A strongly worded circular attack on Sir Aurel was issued and sent to his American principals. These latter cabled back immediately in no uncertain terms. Their reply was as follows:

Sir Aurel Stein's Haughtiness

"Commission for the Preservation of Antiquities. January 20, 1931. Your cable and circular letter received. Our arrangement with Sir Aurel Stein contemplated fullest cooperation with you. Neither in this nor any other connection would we be willing to take any action which did not meet approval of the proper authorities in China. Have cabled Sir Aurel to communicate with you and obtain approval of his plans if expedition is to continue. Have complete confidence in his integrity and honour. Fogg Art Museum, Executive Committee Harvard Yenching Institute."

Thus the American backers expressed their appreciation of the power which the Commission has developed. The latter assert that had Sir Aurel taken them into his confidence they would have been glad to cooperate with him to the fullest extent. In addition to this cable from America, it is known that both the American and British Legations urged Sir Aurel to recognize the changed conditions in China, and be less haughty than he was on his expeditions of over twenty years ago.

Such incidents as this have led to a decided stiffening in the attitude of the Chinese officials toward all foreign scientific expeditions. When to the American Legation sought a license this year for a zoological expedition of two Americans and three Germans from the Philadelphia Academy of Natural Science to work for eighty days in Szechuan and Yunnan, promises had been given that no archaeological specimens would be taken, it required two months of negotiation before the Field Museum zoological expedition under Mr. Floyd Tanger Smith could go into the field.

The wariness with which the Chinese now regard any shipments which might possibly contain antiquities was typified by an incident early in the year when the American Legation applied for export permission for a collection of birds gathered by a missionary for the Smithsonian Institution. It was not until after the experts of the Academia Sinica had satisfied themselves that the request was granted by the government.

It is not scientific bodies alone which feel this growing power of cultural China. Commercial exporters have been involved. Acting under the law of June, 1930, the Tientsin customs some time ago seized a shipment of carved stone. An expert from the Commission for the Preservation of Antiquities was called to the port to pass on the pieces. He declared them to be of historical importance and the entire lot was confiscated and put on public exhibition.

Was SHUN of Chinese Tradition and SHEM of the Hebrew Bible

One and the same

THAT GREAT MAN OF WISDOM

WHO brought over from the other side of the flood the divine knowledge and wisdom known to the good men of old who walked with God and could read the signs in the heavens and understood the meaning thereof; some of

WHOSE immediate descendants were responsible for the building of the Great Pyramid and the Sphinx for the preservation of that knowledge in a generation when the sons of men everywhere began to make graven images of those signs with the resultant judgment in the confusion of speech and thought and language; and some of

WHOSE later descendants by the year 1800 B. C. had scattered abroad and established cultured civilized communities in far west Ancient Britain and far east Ancient China, where the altars of sacrifice were kept burning and the torch of truth alight; and from the family of one of

WHOSE descendants Abraham was called out to be the father of a race to be trained to receive and transmit in written form the same story as outlined across the sky and preserved in the Great Pyramid, and to be the vehicle by means of which that story was to be brought to a victorious fulfillment?

Is that WHY

These same signs provide one key for understanding the true significance of much of the symbolism in Chinese art?

Is that WHY

The story read in these signs by the Ancients gives a clue to the meaning not only of the TAO TEH CHING of Lao Tze and the 'so-called' nature worship of the Taoists, but of the YI KING of the Confucian Classics before the symbols depicted therein were degraded to serve the purpose of fortune-tellers.

Is that WHY

There is such a striking resemblance between Kwanyin, the Goddess of Mercy of Buddhism, with the sheaf in her hand, and the sign of "Virgo" the woman with the branch in her hand, indicated by the Sphinx as being the point at which the story in the heavens began, and referred to in Genesis of the Hebrew Bible as being the woman from whose seed a Branch should spring forth Who should be the Redeemer of all Nations?

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Importing Petroleum into China

By TRYPHON KU

FOR ages and perhaps since time immemorial, bean oil and paraffin have been the sole sources of materials for illumination in China and their utility for this purpose has persisted as late as the latter part of the last century. With the introduction of petroleum into China some forty or fifty years ago, a revolution took place in the field of illuminating fuels. Bean oil has rapidly given way and by now has been practically superseded by petroleum, while candles are scarcely used except on special occasions. The introduction of electric lights into China and their extensive installation at most of the cities in the country have wrought further revolutionary changes in lighting facilities. But in spite of this great innovation, petroleum still possesses an extensive market in China and wherever electric lights are wanting, it always supplies the need.

The pioneer of petroleum in the China field is the Standard Oil Company of America which in fact is responsible for its introduction and popularization in this country. Later, came the Asiatic Petroleum Company—a British concern who obtain their oil from Canada. The third comer is the Texas Oil Company and the latest competitor in the field is the Union Oil Company of California. Almost since its introduction into China, the petroleum trade has had been monopolised in the hands of foreign merchants, while the Chinese have always remained in the position of consumers. The annual volume of business done in this popular commodity runs to millions of dollars.

The vast annual overflow of national wealth into foreign countries for the purchase of petroleum aroused the attention of Chinese industrial leaders and as China possesses few known petroleum oil fields and the oil consumed in China has to be imported from abroad, they thought that the great leakage of China's wealth in this trade may be checked to an extent, if they carry on direct importing with the foreign oil dealers abroad. As a result of this consideration, in 1927, a group of industrialists and retired Chinese officials headed by Hsu Shi-ying, former Premier of the Peking Government and now Chairman of the National Famine Relief Committee, decided to launch a petroleum-importing enterprise and established a company, called the Kwang Hua Petroleum Company with an initial capital of \$1,000,000. The Company was formally inaugurated in February 1928 with its head office in Shanghai.

Under able and efficient management and principally due to superior qualities of its products the Company during its brief existence of barely four years has built an extensive market in China and is rapidly growing into a business success in this trade. A large tract of land in Pootung covering a total area of more than 200 mow has been acquired by the Company as the installation plant and several buildings have been erected on the compound as warehouses and factories. For the purpose of oil storage, six big tanks have been installed on the plant. In addition to these equipments, there is also on the compound a barrel-factory and tin-case manufactory and a modern wharf facing the waterfront. The oil of the Company is all imported from America, largely from the Richfield Oil Field in California. Then, it is filled in tins or barrels and transported to the various parts of the country for consumption. The tin-plates are also imported from America, but the tin-cans are made in the Company's factory.

There are about three hundred workers on the plant and they are both efficient and industrious. The satisfactory treatment accorded them by the Company makes them so contented with and devoted to their work that not a single instance of labor trouble has been reported since the establishment of the Company. During off hours, the workers are given a little education and physical training while their material welfare such as lodging, food, etc., is also well provided for by the Company's authorities.

Agencies have been established at practically all the principal cities in the various provinces of the country except the four less accessible provinces, Kweichow, Yunnan, Kansu and Shensi, and their total number has reached over forty at present. In such important places as Hsuehchow, Haichow, Hangchow, Wuwu, Kiukiang, Hankow, Changsha, etc., warehouses have been rented for storage purpose. The oil is of three grades and the annual sale is roughly estimated at 400,000 tins. The business prospers best in Kiangsu and Chekiang, while Anhwei, Fukien, Hupeh, Kiangsi and Hunan constitute the second best markets. As regards those provinces where no agencies have been established, the business is carried on by local sale agents and good trade condition is also reported.

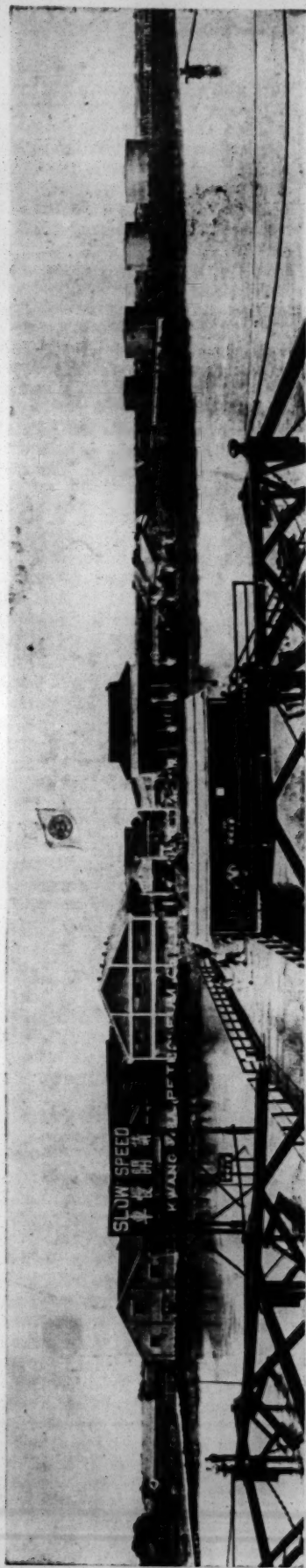
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Possible Contributions of Agricultural Economics to Rural Improvement in China

By JOHN LOSSING BUCK

(of the University of Nanking)

AGRICULTURAL Economics is only one phase of agricultural improvement, but its importance is increasingly becoming recognized widely although its development has been later than some of the other phases of agricultural improvement such as, for instance, the various aspects of increasing production through plant breeding or other improved technique. In the United States at the present time there is such a demand for agricultural economists that salaries for those specialists are usually higher than for those in other fields of work.

Nevertheless, the importance of agricultural economics in agricultural improvement is still overlooked by most people, and this is quite natural because the subject is more abstract than those in other types of agricultural improvement. For instance, it is much easier for the layman to understand the advance made by the plant breeder who improves the corn plant or the cotton plant so that a much larger yield is obtained, than to understand an improvement that cannot be measured by the eye. One must be able to understand the processes of progress brought about by economic improvement to fully appreciate the possible contributions to be made by agricultural economics. Take these two examples: in the case of two farmers, one may use farm labor efficiently or according to the principles of economics, while the other does not; other things being equal, of course, the former will obtain the greater income. Again, the benefits of a farmers' cooperative credit society are hardly visible, still they are none the less real, and such cooperative credit groups are within the scope of agricultural economics.

Better Organization and Utilization

In fact, the attitude toward agricultural economic improvement is often something like that of the man who is continually anxious for a higher salary when, if an equal amount of effort were put on the economic use of his present salary, his standard of living could be improved as much as with the increased salary. In other words, agricultural economic improvement has to do with the better organization and utilization of the things we already have. Strictly speaking, agricultural economics deals with public problems of agriculture, while farm management, which is sometimes included under the heading of agricultural economics, deals with the internal problems of the farm. Agricultural economics has to do with relations between farmers and between farmers and other classes of society.

In any discussion of agricultural improvement, we must not forget the underlying problems which limit almost all other types of improvement as well. We must have a government that maintains peace and order throughout the country districts. There must be improved transportation and communication facilities. There must be water control, and this includes irrigation and drainage, both local and on a national scale. China seems peculiarly affected by either too much or too little water. In other words, we must remove risk in agriculture and the above-mentioned problems are among the greatest risk factors.

It is not the intention of this paper, however, to enumerate all the agricultural economic problems which are essential in any program of rural improvement. It will suffice only to mention a few and then illustrate two or three of these. A shortage of capital and high rates of interest is one of the farmer's problems, which is both an internal farm problem and a national problem. The tenant question is also acute in some districts, especially where there are absentee landlords of large holdings who collect rents through their agents. Absence of agricultural laws and means to enforce them is another great factor in preventing progress in agriculture, as for instance, the matter of water rights alone. Many of the conflicts between villages in China rise over the problem of the distribution of water among the different farm villages. Another problem, which may be put under the general heading of injustices to farmers by gentry, local officials, and city merchants has very wide implications. One of these will be illustrated later under the problem of taxation of farmers which might well be considered a distinct problem of agricultural economics.

In the field of marketing there are many opportunities for improvement. Grading and standardization will do much to encourage farmers to grow better products and to force the merchants to pay a higher price for the better

product. When Acala cotton was first grown by farmers in Wukiang, Anhwei, the merchants would give the farmer no higher price for the better cotton. The Department of Agricultural Economics of The University of Nanking, knowing of this condition, organized a cooperative marketing society and shipped the cotton directly to a Wusih cotton mill, thus obtaining for the farmers an increased price of approximately \$3.00 per picul. This demonstration was a revelation to the local merchants and now a few years later, these same merchants are recognizing the difference in the quality of the native and the improved cotton and are paying a higher price for the better product. This is a case where a single demonstration, costing nothing except a little time from one of the staff members of the University, is saving the farmers approximately \$3 per picul and at present it is estimated that the community is producing 36,000 piculs per year. This represents a net saving to the farmers of \$108,000. It illustrates how often agricultural economic improvement can be carried on with little initial expense, the chief expenditure being the use of brains.

Agitation against middlemen is often overdone, but it does frequently happen that there are too many middlemen and their methods are often so inefficient that the organization of cooperative marketing societies is a way of improving marketing and of obtaining a better price for the farmers and often for consumers. Inefficiency may increase prices for the consumer or decrease prices for the producer or both.

There remains much to be done in China in the matter of packaging and in better storage and refrigeration facilities. Warehousing will undoubtedly be a great boon to the farmer since he now has to sell such a large proportion of his products immediately after harvesting. It must always be remembered that the cost of holding grain over often takes up almost the entire difference between the price at harvesting time and the price later in the year. Storage involves certain losses from shrinkage, rats and mice, fire and so on. Other costs are investment in buildings and storage equipment and transportation costs from the producer to the consumer. Such costs must be met by the middlemen and for every middleman who gets rich there are many who fail.

Crop Reporting System an Essential Feature

A crop reporting system is one of the essential features of any National Agricultural Economics Program. If there had been an efficient crop reporting system at the time of the present flood, we would now have on hand complete information as to the extent of the floods and the damage done. There would also be information on hand of the amount of seed needed for planting either this autumn or next spring. As it is, we are completely in the dark. One wonders why even some of the famine relief organizations have not hitherto established a crop reporting system in the absence of a government system. Information obtained after the calamity occurs is always much less reliable than continuous information, and crop production of the previous year needs to be known in relation to the damage in any year for which relief seems necessary.

Crop reports are very useful at all times for both the farmer and the merchant, and, in fact, for all classes of people. Practically all activity in China is affected by crop conditions. We need accurate reports of what the crop conditions are in different parts of the country in order to plan activities wisely and economically. The farmer is benefited because he will know whether or not the merchants are offering him a reasonable price for his produce. Merchants will be in a better position to buy and pay prices in line with market conditions. The better knowledge of crop conditions will of itself help to adjust market prices to supply and demand.

A crop reporting system is comparatively inexpensive since reporters can be obtained on a voluntary basis. The results of the work are immediately available and in this respect it is quite different from other types of agricultural improvement programs requiring many years before the results are usable.

Taxation is one of the problems of agricultural economics which is worthy of further consideration because many

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China's Radio Progress

By GEORGE STREET

Commercial Representative Radio Corporation of America

CHINA'S own international communication system has passed the weaning stage, has had its childhood maladies, and is ready to put on its first pair of long pants.

The sixth of December marked the passing of the first year for the direct China to San Francisco circuit of the Chinese Government Radio Administration. At the time of the formal opening of this circuit the privilege of sending messages without charge was extended to firms and responsible individuals, for the first day of operation. During the first twenty-four hour period a total of more than three thousand messages were handled to and from the United States of America. If one gives due consideration to the fact that this was accomplished by newly trained personnel, not only at the Central Traffic Office but at the Chenju transmitting station and Liuhong receiving center, it is hard to imagine the ultimate commercial capacity of this means of communication.

Prior to the opening of this direct circuit Radio Traffic from China to the United States and Europe was routed by way of Manila. This relaying of messages is not unsatisfactory where a small volume of traffic is handled, but it tends to cut down the speed of transmission and introduces an extra chance for errors to creep in. The Shanghai to Manila circuit is now maintained for handling Philippine Island business and as a safety factor. This connection makes the extensive facilities of the Radio Corporation of the Philippines available in case of trouble or overloading on other international circuits out of Shanghai. This gives the Chinese Administration the same type of insurance as railroad companies provide by the building of alternate routes between important cities.

China's Radio Equipment

China's radio equipment is the newest and most modern design available at the present time. The designing and manufacturing facilities of five nations have been used to furnish the equipment. In the Sassoon House office alone will be found equipment of Chinese, American, German, British, and French manufacture. Modern systems of beam transmission and reception are used on all im-

portant circuits. These systems vary in detail of application, but all work on the same basic principle. They serve to concentrate the energy in a beam of narrow width so that it will be effective for point to point communication rather than scattered to all points of the compass. This method of transmission and reception makes a given amount of power many more times effective than with older methods of transmission.

Capability of Chinese Engineers

Engineers from the various countries supplying apparatus were hired to supervise the installation and testing of the installations, but the actual work was done by Chinese Engineers. These same Chinese Engineers now have complete charge of the operation and maintenance of the stations. All apparatus and supplies are owned and operated by the Chinese Government Radio Administration. "China's own" international communication system is an existing fact, not a figure of speech. Training of personnel has reached such a point, and stocking of supplies and maintenance material is adequate, to indicate that "China's own" will continue to be an existing fact. There is just as much assurance for continuity to service "Via Radio" as by any other method of communication from China to the rest of the world.

In addition to the Shanghai to U.S.A. circuit the following international direct circuits are in constant operation; Berlin, Paris, Manila, Java, Hongkong and Amoy to Manila. From Berlin and Paris messages are relayed to all of Europe, and from the U.S.A. they are relayed to all of North and South America.

On June 1st, 1931, the direct Berlin Shanghai circuit was formally opened and on that day more than 400 radiograms were despatched free of cost—this privilege being given principally to German firms as an "inauguration ceremony." The large number of German business houses can now exchange telegraphic correspondence with their home country without their messages passing through the hands of other nations.

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Recent Forestry Progress in China

By D. Y. LIN 凌道揚

In the midst of war, famine and communistic disturbances it is a source of gratification indeed to note that forestry in this country has been making a steady and gradual progress. Some fifteen years ago such terms as 'sen lin' meaning forestry, or 'tsao lin' meaning afforestation or tree planting, were almost unheard of except as subjects for some occasional lectures by one or two pioneer foresters, but today they have become household words, and 'sen lin' subjects are frequently heard in the discussions and debates of guild houses and in the conferences and budget meetings of provincial and hsien bureaux. One might say that during the last fifteen years or so, forestry both as a profession and a public necessity has won definite public recognition in China. Both the people and the government have accepted forestry as necessary to public welfare, both in the present and in the future.

In the following paragraphs, the writer tries to review in a general way what has taken place concerning (1) the development of Central Government forestry policy and administration; (2) general afforestation work; (3) provincial and hsien forestry; (4) private and corporation activities; (5) the various methods used to educate the public mind upon the importance of 'tsao lin'; (6) forest education.

Forest Policy and Administration

Since the establishment of the National Government in Nanking, there have been many attempts made to put forestry on a proper administrative basis. At first there was established in the Ministry of Agriculture and Mining a Department known as the Department of Agriculture and Forestry, having in charge all the agriculture, forestry and reclamation work in the country. The department however was a short-lived one, for it was soon changed into two departments, known as the Department of Agriculture Administration 農林司 and the Department of Forestry Administration (林政司).

With the amalgamation of the Ministry of Agriculture and Mining with that of Industry, Commerce and Labor, which took place immediately after the Fourth plenary Conference of the Central Executive committee in the fall of 1930, and with the formation of a new Ministry known as the Ministry of Industries (實業部), the Department of Forestry Administration was automatically abolished and in its place a department, very much larger than those heretofore established, known as the Forestry and Reclamation Service (林業署), was inaugurated. The organization of this Service has not yet been completed, but according to the announced policy of the Ministry of Industries which has charge of the Service, this new Department or Service, in addition to the work of reclaiming and colonizing waste lands both in China Proper and in the border provinces of North East and North West, will have charge of the general forestry administration of the country, including registration and supervision of afforestation areas; selection and experimentation of tree seeds and seedlings; protection and management of national forests; encouragement and direction of private forestry projects; forest utilization; establishment of national parks and 'protection' forests; and the drafting and publication of forestry laws and regulations.

Perhaps the most important development from the standpoint of forestry policy and administration was the calling of a National Forestry Conference (全國林政會議) in the fall of 1929. The Conference was the first of its kind in China, and there were as many as 47 delegates who came from all over the country to attend this Conference. The Conference lasted six days and there were altogether 76 reports and recommendations submitted for consideration either by the delegates themselves or by the provincial or hsien authorities whom these delegates represented. This conference will always be looked upon as historical in the development of forest policy in China, for the findings and recommendations made at the conference are now a guide for all the forestry work going on in the various provinces today.

Central Afforestation Work

Besides the establishment of forestry departments for administrative purposes, the Central Government has since 1929 organized what is known as the Central Forestry or Forestation Bureau (中央林區管理局). This Bureau carries out in a practical way some of the afforestation projects for the Central Government, and attempts to set up a model forestry area in and around Nanking for the benefit of the rest of China. The establishment of such a Bureau marks the beginning of a policy which aims at the creation of national forest reserves throughout the country. For the sake of the future economic needs of the people and for the protection of the country from floods and droughts, the creation of national forest reserves similar to those in the West is an absolute necessity. It is encouraging indeed to note that since the establishment of this Central Forestry Bureau, the government has been making plans for a similar Bureau to be established for the entire forest area in Manchuria. It is hoped that such plans will soon materialize, for Manchuria comprises by far

the best timbered region remaining in the country today, and forests there, covering an area of about 500 million mow and with a total volume of over 100 billion cubic feet of good timber, should be developed, utilized and properly conserved for the benefit of the country as a whole.

Although the Central Forestry Bureau has been in existence for only two years, much practical work has already been done. According to reports they have planted over 6,600,000 seedlings in the vicinity of Nanking, established five forest nurseries with a total capacity of raising over 5 million seedlings annually, and have organized five forest stations in the four hsien—Kiangpu (江浦), Kiangnin (江甯), Luho (六合), and Kiuvun (句容). The Bureau is engaged not only in establishing government nurseries, and in planting extensive areas, but also in promoting and encouraging private forestry just as private forestry in Tsingtao has been encouraged. Private individuals owning barren hills and mountains who cannot undertake forestry work themselves, can petition the Bureau and get the necessary seeds and seedlings for planting, free of charge. According to their recent report, the Bureau in the spring of 1931 distributed to private persons as many as 910,000 seedlings from the different nurseries.

Provincial Forestry Work

While the Central Government has been working hard to put forestry on a proper basis, all the provincial governments have likewise done their part in promoting forestry within their respective provinces. In nearly every Provincial Agricultural (農墾廳) or Reconstruction Bureau (建設廳), there is a department organized to look after the forestry administration of the province, with forest stations located in the mountainous areas to carry out the actual planting work. Kiangsu Province, for instance, has a forestry department in her Provincial Agricultural Bureau, with a staff of seven men, four of whom are trained foresters, while the entire province is divided into two districts, each having a separate budget for nursery and planting work and for protection purposes. The different hsien which have forest nurseries also come under the supervision of the district forestry offices. In Chekiang, the province is divided into four districts each having a main station to carry on the work as directed from the Bureau of Reconstruction. The total budget for the entire province is \$249,151. In Anhwei, the province is divided into five districts, each having a technical staff to look after the nursery, planting and extension work of the district. The same may be said for all other provinces, which have forestry work already established.

Private and Corporation Activities

In recent years much forestry work has been done by private people and corporations. It will be impossible however to ascertain exactly how much is being done throughout the country, but no doubt the amount has been enormous.

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Dr. D. Y. LIN (Lin Toa-yang)
Agricultural Expert in the Ministry
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POSSIBLE CONTRIBUTIONS OF AGRICULTURAL ECONOMICS TO RURAL IMPROVEMENT IN CHINA

(Continued from Page 22)

a farmer suffers injustice from it. The taxes paid by one landholder in Kiangning hsien, Kiangsu, may be taken as an example. There are three classes of taxes on the same land during the same year. One class is in the tael unit, another uses the mow as a unit, and another a measure of rice called tan. Some hundreds of years ago each owner was assessed a tax of a certain number of taels such tax depending upon the amount and quality of his land. Each tael unit is apportioned among the different items of taxation at a variable exchange rate into Chinese dollars such rate depending upon the needs of the government. The rate has been steadily rising in recent years. This tax is collected semi-annually. As an illustration, let us take owner A who is taxed for 37.3 mow to the extent of T1.14 units. For each tael the semi-annual tax is as follows:

National tax	\$1.50
Provincial	0.25
Hsien	0.30
Fee for collection	0.13325
Water conservancy	0.34

The tax per mow for owner A is also collected semi-annually as follows:

Items	First Collection	Second Collection
Education	0.07	0.06
Local government (now probably for party but formerly for hsien representative in that area)	0.01	0.01
Township ("chen")	0.05	...
Police	0.05	0.05
Road construction	0.05	...
Agricultural improvement (hsien nursery)	0.01	0.01

The tan as a unit denotes the equivalent of one tan of rice to be paid. Each tan of rice tax is apportioned among the different items of taxation and is collected annually.

Owner A's rice tax is 1.14 tan for 37.3 mow and is divided for each tan among different items as follows:

National	\$3.00
Provincial	3.00
Hsien	1.00
Fee for collection	0.325
Protection	0.50

In addition to this there is an annual Kuomintang party tax of \$0.04 per mow.

The question is "What is the annual rate of taxation per mow?" It is an arithmetic problem that would baffle almost anyone. But think of the poor ignorant farmer. It is no wonder the tax collectors can cheat the farmer. Moreover, in recent years the government seal stating conditions of payment on tax bills has been so faint that it could not be easily read, and also it is said that the tax collector often gives the farmer no receipt. The tax collector then reports to the hsien office that the tax is unpaid. This means the farmer is afraid to pay his taxes directly to the hsien office because if he does he may be forced to pay the arrears.

Taxes are computed according to the kind of land and in the hsien referred to, they are as follows per mow per year:

Land irrigated from ponds	T0.05882
Land irrigated from streams	0.05789
River land—such as islands and shore	0.05278
Marsh land	0.00921
Best grade high land (now irrigated in name but not in fact)	0.03245
Low grade high land	0.02723

The tax bill for owner A, however, does not indicate the kind of land for which his taxes are paid. The owner, therefore, has no way of knowing what his tax should be.

It is reported by a local official that there are 3,000 people living on the income obtained in the process of tax collection. A feeble attempt was made by the Hsien Bureau of Finance to simplify the tax bills to a single rate per mow. The opposition of the tax collectors who would lose revenue thereby was so strong that the reform was abandoned.

Owner A computes his tax to be about 60 cents per mow but states that most farmers are paying 80 cents per mow,

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RECENT FORESTRY PROGRESS IN CHINA

(Continued from Page 24)

Private forestry along the Min River (閩江) in Fukien province and in southern Anhwei has undoubtedly been responsible for the continuous cunghamia (foochow pole) trade throughout the country, while planting in and near villages and hamlets has taken care of the supply of fuel for the farmers.

Perhaps the most conspicuous piece of forestry work done by corporate effort, is the Kiangsu Educational Forestry (江司教學林) enterprise, located mostly in Loashan (老山), near Puchen, Kiangsu. This enterprise has been going on quietly and steadily since the 5th year of the Republic of China. To-day according to report by Mr. Li Yin-kung (李寅恭) who is in charge of the work, as many as 54,670,000 trees have been planted and it is an inspiration indeed to see those hills and mountains in Loashan which used to be bare, now so beautifully covered with forests of pine, oak, pistacia, cedar, poplar, sophora, wutung, bamboo and many other valuable species. The success of the Enterprise has caused the educators of other provinces to take notice and the Anhwei Educational Association has already followed suit by inaugurating similar work for that province.

Another very notable private forestry enterprise which deserves mention is the Mao-luh Agricultural and Forestry Company (茅麓農林場), located near the famous Mao-luh mountain in Kintan (金壇), Kiangsu. The company has already a planted area of over 17,000 mow and according to their recent report, they are making big plans for extension in order to take in all the barren hills and mountains in the vicinity of Mao-luh.

We might also mention other private forestry enterprise in Chekiang, Kiangsi, Szechuen and Tsingtao, but suffice it to say that in recent years private forestry in this country has made very decided progress in spite of the fact that the government has done very little to encourage it.

Temple Forestry

In connection with private or corporation forestry in China, we might mention also the so-called 'temple forestry'. As every one knows, the temple and the feng-shui ideas have contributed much towards preserving the nation's remaining forests. One will be surprised to know how the monks have been active in matters pertaining to tree planting in and around temple properties. The monks in Chinkiang (鎮江) and Chi-Hsia (棲霞), Kiangsu, for instance, have developed regular forestry work not only for themselves but also for their fellow monks elsewhere. They have their own forest nurseries. They petition for barren lands for planting purposes. They cooperate with local authorities in matters concerning insect protection, fire control and forest patrol. It has often occurred to the writer that for the solution of China's stupendous forestry problem involving, as we all know, several billion mow of non-agricultural land which ought to be devoted to the production of tree crops, it might not be a bad idea to mobilize all the monks, abbots and the fengshui priests of the country and to cooperate with them in a really active and systematic way.

Public Forestry Interest

Public forestry interest in China has certainly been growing by leaps and bounds in recent years due largely to:—

1. The work of the Chinese Forestry Association (中華林學會);
2. Dr. Sun's forestry teaching as found in the San Min Chu I (三民主義);
3. The establishment of the so-called Forest Memorial Week (造林運動宣傳週) for the country.

Dr. Sun's forestry teaching is found in the third lecture of the Chapter on "People's Livelihood" (民生第三講) in the San Min Chu I, and also in his Program of Industrial Reconstruction (實業計劃). In the San Min Chu I, Dr. Sun pointed out the relation of forests to floods, droughts, streamflow and soil erosion and emphasized how important forests are to the life and happiness of the Chinese people; and in his "Program of Industrial Reconstruction" he urged that afforestation work on a large scale be carried out in Central and North China simultaneously with other constructive measures. It is on account of these teachings and injunctions of Dr. Sun and the desire of all his followers to perpetuate them and to translate them into action, that the Central Kuomintang Party Headquarters have designated forestry work to be one of the seven fundamental tasks for all the party men to perform throughout the country during the political Tutelage Period (訓政時期). Needless to add that during the last two or three years the Party men

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CONSTRUCTION WORK IN CHINESE CITIES

(Continued from Page 16)

city. Since August, 1927, to 1930, a total of 10,000,000 square feet of new land has been reclaimed, and on which high concrete buildings have been built. By the end of 1935, another 50,000,000 square feet of land will be reclaimed. By the end of 1930, a total of 148,508 feet of motor roads with an average width of thirty feet had been completed in the city. In addition another 150,000 feet of motor roads were built on the island connecting the outlying villages with the city.

Dr. Sun Yat-sen Memorial Park was recently completed at a cost of \$800,000 which occupies an area of 15 acres with old trees, public halls, athletic grounds, gardens, and a lake. A public library in memorial of Dr. Sun Yat-sen will be built near the Park. The Dr. Sun Yat-sen Memorial Hospital to cost \$800,000 is to be built. Of this sum \$600,000 was subscribed by the people of Amoy, most of them are returned merchants from Singapore and other south sea islands. A model prison, to be known as Shih Ming Prison will be completed by the end of 1933, at a cost of \$100,000, of which \$70,000 has been raised.

Foochow

In Foochow, the capital of the province of Fukien, 200 miles up from Amoy, one finds also tremendous construction works underway. The building of roads, and public buildings kept the thousands of Chinese laborers busy in the district. Foochow will also soon have an up-to-date paper mill. Realizing the fact that China imports practically all her paper, which in 1920 amounted to \$20,694,093, and \$50,000,000 in 1925 and much more in recent years, Mr. Chen of Foochow raised an initial capital of \$1,000,000 from oversea Chinese for the construction of a paper mill in Foochow to be known as Fukien Paper Manufacturing Company. The machines installed in this mill are supplied by Escher Wyss & Co., Zurich, Switzerland. The output of the mill is from 4 to 8 tons of paper daily.

Shanghai

Another 350 miles from Foochow, one reaches Shanghai, the metropolitan city of the East. A great deal is known to the public about the construction works of the International Settlement of Shanghai. However, very little is said about the undertakings of the Municipality of Greater Shanghai (Chinese). Speaking before the press representatives Mayor Chang Chun of Shanghai had the following to say: "Forty-six kilometers of roads have been built, 101 kilometers of old streets have been repaved and improved, 37 miles of drains laid, 45 bridges repaired, 16 wharves constructed, and embankments of a length of more than 1,000 feet built. In order to meet the huge expenditure for construction work the Government has increased the budget for building and construction from ¥3,130,000 to \$15,000,000."

Nanking

Travelling on the Nanking-Shanghai Railway westward with a distance of approximately 200 miles, one reaches the Capital of China. It is in this city that one sees the future of a great nation in transformation. Before the establishment of the National Government at Nanking in 1928 Nanking had not a single road for motor cars or bus. At present, the famous Chung Shan Road in memorial to Dr. Sun Yat-sen leads one directly from the Nanking Railway Station to the Dr. Sun Yat-sen Mausoleum at the foot of Purple Mountain through the heart of the city. A number of branch lines were built in the last three years connecting Chung Shan Road, the main traffic of the city, to other important Government offices and business centers. A large number of Government offices, such as the buildings of the Ministry of Railways, the Jurisdiction Yuan, the National Construction Commission, the National Government, the Officer's Moral Endeavor Association, etc. give a strong impression to a visitor, especially to those who visited the city before 1928 to see the difference and rapid development in the last three years. Other buildings, such as the Auditorium of the Central University, Central Hotel, and various banks were put up in the last two years.

As to the public utilities, the Nanking Waterworks under construction deserves special mention. This plant when it is completed will give a total of 16,000,000 gallons of water per day with an extension for another ten million gallons. The construction of the plant will cost a total of \$3,000,000. In March, 1931 the tender for the supply of approximately 38 miles of pipes, with valves, hydrants and other accessories to be used for the construction of the water works was awarded to the Material Technique of Paris. The cost of the contract is G.\$350,026. The necessary pumping equipment was ordered from Siemens China Company.

A plan for the building of the capital was adopted by the National Government. The new city of Nanking according to the City Planning Commission is to be built

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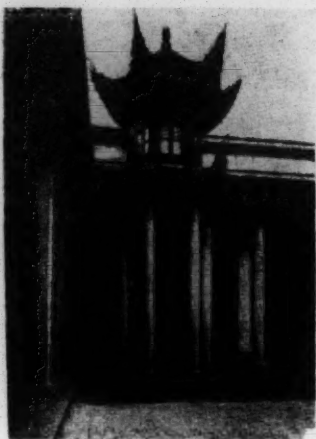
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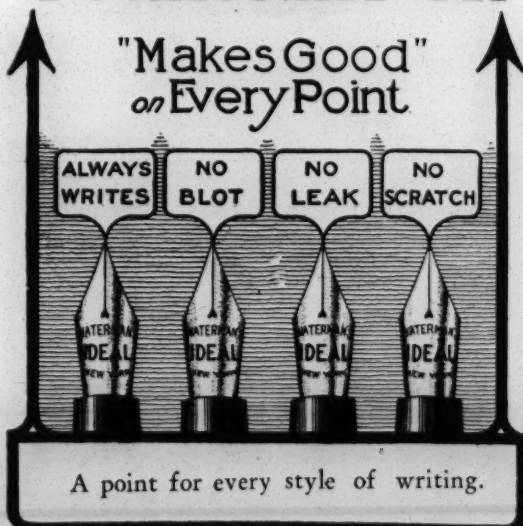
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China's Largest Library

By EDWARD HUNTER

THE \$1,300,000 National Library of Peiping, built entirely with money returned from the American Boxer indemnity, is one of the most important cultural projects in the reconstruction work of the Chinese nation. The institution was formally opened on June 25 at a ceremony participated in by Mr. Nelson T. Johnson, American minister to China, and a number of other foreign and Chinese officials. The library, which occupies a site overlooking the Forbidden City, is the largest in China, and with the possible exception of the new Imperial University Library re-built in Tokyo after the earthquake, is the largest in the entire Far East.

There are two wings in addition to the central building, and one is dedicated to John Hay, who while American is credited with doing much to save China from partition among the European Powers and Japan. The other wing is dedicated to a famous Chinese scholar, Dr. Liang Chi-chao, former Minister of Finance and at one time in charge of the old National Library which occupied a palace building in the Forbidden City.

Unlike libraries in the Occident, the new one includes its own power house to supply light and heat. This is in keeping with the tendency among large institutions such as the Rockefeller Institute and Yenching University to compose small cities in themselves so as not to be at the mercy of utility plants which in turn suffer from official and military interference. The library's electricity plant cost \$200,000.

The library was financed through the China Foundation for the Advancement of Education and Culture, with funds taken from the second portion of the American returned indemnity money. The first portion went to construct Tsing Hua University, outside Peiping, which has given China a number of its foremost leaders.

The China Foundation also allotted \$120,000 for maintenance during the present year, with an additional \$30,000 in gold for the purchase of books. The Nanking government has promised to provide a fund but as yet has been unable to do so. The directors of the institution expect to receive an annual subsidy from the China Foundation, and an increased budget will be required for operating needs.

The library contains about 250,000 volumes of Chinese books, including the priceless imperial library of Emperor Chien Lung. This consists of 36,000 books all in manuscript form. The other Chinese books are printed and date back to the Tenth Century. Dr. Liang Chi-chao recently on his death gave his library of 6,000 Chinese books to the institution, which is housing them in a separate room. The library contains the largest collection of Chinese books in the world.

The shelves also contain about 50,000 foreign books bought during the past five years, ranging from novels to science. Many of these are on Chinese subjects. Mr. Paul George Mollendorff, who was Commissioner of Customs at Ningpo and a specialist on the Chinese language, contributed 5,000 books on philology and Chinese dialects. The library also has 200 complete sets of scientific journals.

Among the other valuable possessions are 8,000 rolls of Buddhist sutras which were dug from caves in Kansu Province after their discovery by Sir Air Stein, world-famous explorer. The sutras are worth \$150 each at their lowest price.

The library, which will be conducted on the American circulation plan, is open to both foreigners and Chinese.

(Continued on Page 33)



YUAN TUNG LI
Acting-director of the National
Library of Peiping

CHINA'S PAPER MONEY

By WANG SU

IN the early drama of Faust, the Devil fabricates paper money out of malice pretense. Here the satire is perfectly applicable; since the origin of paper money seems to have long been wrapped in obscurity. For a civilization so refined and far-reaching as that of the Roman Empire, the famous Corpus Juris Civilis covers nothing concerning the issuing of paper money; nor can we find any trace from other authoritative documents that may in a way verify its ever circulation in the hands of Romans. One is rather curious to learn, therefore, that the "old China" hitherto for thousands of years isolated aloof in the Far East... has adopted it early in the seventh century, if not earlier.

With reference to the history of Chinese paper money, a brief comment on her coinage would be of service. The monetary system of China has ever been so involved that sometimes even a painstaking economist would get puzzled. However, we are not going to pursue such dry-as-dust research; so for the present case, let us take the so-called "Chên" (known to the foreign community as "cash"): upon which old Chinese paper money is based. "Chên" is a very small copper coin, only about a pennyweight or so. Until the last decades, the Chinese continued to utilize it as the very principal coin.

When, then, came the invention of paper money? And what was its motive? Tradition concerning its origin runs as early in the time of Hwang-ti (2692 B.C.) when Palin, the well-known minister, discovered that the painted silk could be utilized as medium of exchange. It is also said that during the reign of Wuti (140 B.C.-87 B.C.) of Han Dynasty, leather was once regarded as soft money. In the study of the development of the Chinese monetary system, all these serve well to illustrate that the early invention of paper money in China is not without its background. But it would be going a little bit too far to presume this to be its very origin; not only because it is most unlikely that paper money should have appeared prior to metallic coins, but also because, even granted that such was the case, these early notes of silk or of leather might have been precisely the primitive form of currency when metals had not yet been fully recognized as the best medium. If we want to trace its very origin from some reliable sources, its probable birthday should be dated in the midst of T'ang Dynasty.

Some writers maintain that paper money must have been first adopted in impecunious states, still others laugh at such wholehearted dissertation. To resolve this problem is not an easy task, and I do not here intend to resolve, either. In the case of China, this theory applies only partly. Towards the close of the reign of T'ung Tsung (780-840), T'ang Dynasty, there was a great need of metals. New laws were accordingly made to prohibit its exportation and all the articles made of copper or bronze were also strictly forbidden, so the merchants had to find some new way other than using coins. By sanction of the Sovereign, they might deposit their money in the "Native Bureau" and draw it elsewhere by presenting the receipt. Such receipt was in reality a replica of modern paper money, though it was, then known as "Fei-chên" (flying money). This rather poetical name reminds us one of the old Chinese fables how the poor Hwang-ching all of a sudden became a millionaire by picking up innumerable pieces of money which once came flying into his house; perhaps the name was derived from this. Nevertheless, the government of the T'ang Dynasty did not follow his lucky steps.

Quite a different motive brought about the issuing of "Chiao-tse" (exchangeable currency) of the Sung Dynasty. During the reign of Chun Tsung (998-1022), Chang-yun, the then viceroy of Szechuen, perceived that the conveying of heavy metallic coins was particularly inconvenient in such a mountainous province as Szechuen. Following the example of "Fei-chên" of the T'ang Dynasty, he consented to the issuing of "Chiao-tse"; it was so named for it could be converted in the ordinary business transaction, and added a considerable sum to the government revenue (?); hence by leaps and bounds it became prevalent everywhere. Foo-chow alone refused the adoption of "Chiao-tse", merely because it was the native city of Tsai-chin, the most powerful prime minister of that time. A "Chartered Bureau" was established during the fifteenth year in the reign of Hwai Tsung (1105) to take charge of the issuing. Any one who perpetrated forgery would have inflicted on him the most severe punishment. Owing to the unrestricted issuing, the value of "Chiao-tse" was at length greatly depreciated. The newly issued notes, in order to be distinguished from them, were marked by some special signs; and the old

(Continued on Page 32)

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GREATER SHANGHAI'S CONSTRUCTIVE ACHIEVEMENTS

(Concluded from Page 7)

rental of \$2 each, and in order to finance the poor people, the Municipal Government has established a Public Loan department, where a small loan of \$10 can be obtained without interest. Up to the present, 500 such houses have been completed and 1,000 more houses planned this year are in the process of construction.

The New Civic Center Scheme

The new Civic Center scheme was launched early this year side by side with the development and renovation of the old city districts. The scheme was first projected in 1927 when Gen. Huang Fu was the Mayor of Greater Shanghai Municipality, but detailed plans were not completed until 1930, when the Civic Center Planning Committee was organized, which, in conjunction with two American architects and city planning experts, Messrs. H. K. Murphy and Dyau Doon, was finally responsible for the evolution of the new Shanghai scheme. According to the plan, the space included in the New Civic Center will cover an area of 100,000 mow of level ground, with spacious boulevards and "landscaped" areas, with arched bridges spanning pools and streams, a magnificent pai-lou and pagoda towers. The site of the projected Civic Center is an excellent choice from the standpoint of traffic. It is located north of Woosung and South of the International Settlement. It reaches the Whangpoo River to the east and the Shanghai-Nanking Railway to the west. Situated in the center of this spacious area will be the future home of the Greater Shanghai Municipal Government and the new trade port. A group of twelve units of municipal government buildings has been planned on a site of 3,000 mow of land within the Civic Center. The cornerstone for the first series of these buildings was laid on July 7 last by Mayor Chang Chun, and construction has been continued since that time. The building will be a four-story structure, 305 feet in length and 80 feet in width—rising to a height of 102 feet above the ground. The estimated cost is \$750,000 and the building scheduled to be completed at the end of next year. Typical Chinese architectural designs with green glazed roof resting on dark red columns and polychrome beams and brackets will feature the new municipal building, which, when completed, will house the Mayor's Office and various municipal bureaus and stand out prominently on the bank of the Whangpoo River.

The New Civic Center is most advantageously located and is accessible by both land and water. A system of new roads has been planned radiating in all directions with the Center as pivot point. The planned roads, a number of which has been partially completed, include the Shanghai-Woosung Road, Ziang-yin Road, Sanmin Road and Wuchuan Road, forming a compact net-work of communications joining Shanghai and Woosung. A branch railway connecting the new Civic Center and the Shanghai-Nanking line is also projected and will be constructed in due course of time, as the plan progresses. As regards the water communication, the Municipality has drawn up schemes for the development of a new and modern harbor in the vicinity of Woosung. This new harbor scheme, when fully realized, would kill the present enormous sea commerce of Shanghai. As godowns and wharves will have been constructed there, loading and unloading of goods will take place in Woosung instead of in Shanghai, where transport is abnormally high and wharf space is scarce. It is for the reason of developing a new trade port which will supercede Shanghai in commercial importance that the Greater Shanghai Municipal Government has taken so much pains and efforts in the planning and preparing of this great construction project.

The Civic Center Plan also provides for the allocation of areas for city planning—known as "zoning." It provides for the extension in every direction for all business and public utilities, general distribution of various elements of city life, its manufactures, and industries, wholesale and retail trades, the financial centers and business districts, residential quarters, parks, playgrounds, etc. According to mapped out plans, places surrounding the Civic Center will belong to the Government administration district, those in Pao-tai-wan Yin-hong-chen and opposite the bund will belong to the harbor district, those from Yin-hong-chen straight down to southern part of Shanghai to business district, those along Woosung Creek, Yun Tsao Pang and the future railway from Woosung to Shanghai and the places along the Bund of the Southern part of Shanghai to the industrial district, those between Kiangwan Dah-chong and the International Settlement to the residential district, those in Kao-chiao of Pootung to the oil-tank district and those along the Lunghua to the sand and lumber district.

THE INDUSTRIAL RECONSTRUCTION OF CHINA

(Continued from Page 10)

men for the work of supervising industrial undertakings, especially in their preliminary stages.

Again, through the Institute of Scientific Management the Ministry is encouraging leading figures in the business and industrial world to apply modern methods of business efficiency to their various enterprises. The innate industrial capacity of the people must be developed no less than the natural resources of the country. The standard of productive efficiency in Chinese industries today is much too low, and an improvement is absolutely necessary in order to permit an increase in wages and of the general standard of living. In order to bring about this essential change, scientific methods must be applied to business management, such as analysis of costs, efficient control of staffs, and factory administration, in addition to the Nationalization of the industrial system in general.

Healthy Industrial Expansion

Other directions in which the Ministry of Industries is earnestly striving to facilitate the development of industrial reconstruction and the consequent expansion of commerce may be mentioned briefly. Exhibitions of Chinese produce and manufactures have been held in different parts of the country, in order to bring to the notice of the public the large and constantly widening range of native products available for consumption. Industrial laboratories have been established in which experiments are being constantly made with a view to discovering new and better ways of doing things than those now being followed in various industries. Silk and tea are two commodities the production of which is the subject of constant observation and experiment with a view to improving the quality of the product offered for sale in foreign markets. And of regard to overseas commerce, mention should be made of the Foreign Trade Association, established under the auspices of the Ministry with a view to encouraging joint effort by manufacturers and merchants interested in foreign trade to promote their mutual interests.

To sum up, the Ministry of Industries, in carrying out this program of industrial reconstruction, is actuated by the desire to further the ideals of economic democracy and healthy industrial expansion. At the same time, it seeks to bring about the abolition of all vexatious taxations of an oppressive character, and the revision of commercial treaties with foreign countries on a basis of equality. While giving proper protection to establish industrial enterprises, it also seeks to encourage the display of greater initiative and enterprise by the promoters of industrial undertakings. And although primarily concerned with the development of productive industries, the Ministry also has due regard for the economic welfare of the people, and takes upon itself the responsibility of seeing that the well-being of the worker is fully assured.

With the capital and labor being drawn closer together in friendly co-operation, each anxious to do its part in the successful promotion of new industrial enterprises, and with the cultivation of international co-operation as applied to commercial and industrial undertakings, we may look forward with increasing confidence to the day when, as a result of national energy and initiative, and of Sino-foreign goodwill, we shall see our nation enjoying that peace and prosperity which is the ultimate aim of this period of industrial reconstruction through which China is now passing.

WHERE CHINA TRAINS HER ENGINEERS

(Continued from Page 12)

ward; all classes were suspended then until another academic year began (1912).

After the establishment of the Republic of China, the Ministry of Communications took over the Institute. In the second year of the Republic, the Ministry enlarged the scope of its teaching and intensified its training. Short courses in wireless operation and in military engineering were introduced. Graduation from the Institute required one, two or three years of study and the total number of graduates increased to 556 in the subsequent year.

In 1917, the Institute was divided into two colleges. On the west side of its ground stood the School of Railway Administration and on the east, the Posts and Telegraph School.

According to the consolidation plan these two institutions were again combined and joined the Chiao Tung University as a division or unit in the department of economics which was parallel to the department of science and engineering of which the Tangshan and the Nanyang Colleges were regarded as two units. The new combination received the name of Chiao Tung University Peking College.

Though the college has undergone many changes, it stands in a stronger position than ever, firmer in purpose and better in scholarship than ever before.

Shanghai, December 12, 1931.

Brick Manufacturing Industry Prospers in Nanking as Capital Grows

The manufacture of foreign-style bricks and tiles is rapidly developing into a big industry in Nanking, as large numbers of new buildings are being erected in the capital. Formerly bricks and tiles used for building construction in Nanking mainly came from Hankow and districts north of the Yangtze, but recently two large brick works have started operation in Nanking. They are the Kinhwa Brick and Tile Works and the Kinchen Brick and Tile Works. Kinhwa factory was established in 1920 and the initial capital was \$50,000. The products of the factory mainly consist of red bricks and tiles a large number of which are used locally. The Kinchen factory, located at Toureki, was established in 1930 with a capital of \$100,000. This factory is not yet in full operation, having been only recently started.

Besides the two factories mentioned there are a number of works on a much smaller scale manufacturing tiles exclusively. In addition to making tiles, the Tanhai Works also turns out a considerable number of bath-tubs and washbasins.

There are two popular brands of tiles turned out by Nanking factories—the "8,10,3-inch" and the "10,10,3-inch." These brands differ in breadth only, the thickness of both being 3 inches and the length 10 inches. The "7,10,3-inch" brand is sold at 9 cents per piece and the "10,10,2-inch" brand at 10 cents while ordinary brands are sold at \$50 per 10,000 for blue and \$80 for red tiles. The ordinary red \$90 per 10,000. The blue tiles sold on the Nanking market come principally from districts north of the Yangtze River, particularly from Chilichiw where a number of kilns are operating.

In addition to bricks and tiles the Nanking kilns also manufacture drain and sewer pipes. These are uniform in length (2 feet) but differ in diameter, and consequently the price varies accordingly. Pipe 4 inches in diameter is sold at \$0.50 a piece; 6 inches, \$0.65, 9 inches, \$1.16; and 48 inches, \$24.

The "Horse" brand cement of the Tientsin Chisin Factory and the "Elephant" brand of China Cement Works, Lungtan, are largely used in making these pipes. Lungtan product is especially favoured. Lungtan, being nearer to Nanking, enjoys an advantage in the matter of transportation.



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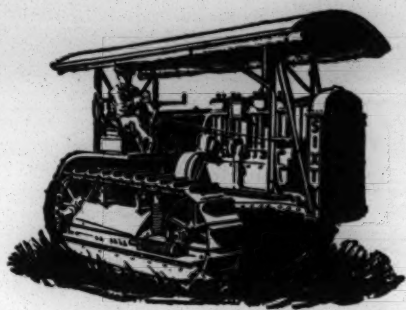
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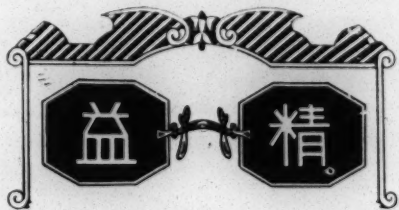
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CHINA'S PAPER MONEY

(Continued from Page 29)

obliterated ones were then good only for the waste-paper basket.

Upon the beginning of the reign of Kao Tsung (1127-1162), Leechow was garrisoned with numerous troops, and since no waterway between Leechow and the capital was available, it was of utmost difficulty to send the heavy coins to such a remote citadel by means of land conveyance. To meet the urgent demand of military expenditure, another form of paper money, known as "Quei-tse" (citadel currency) was accordingly adopted. The State sanctioned its convertibility into specie or, if preferred, commodities of equal value from the government monopoly. But as an actual fact it could not be converted for full value, and merely became a heavy burden to the people.

In view of the former failures, it was not until thirty years later that the Emperor of the Sung Dynasty determined to adopt "Wei-tse" (storing currency) instead. Vast amounts of coins were ostentatiously stored in the "Open Treasury" with a view to win the credit of the people. First circulated in Chekiang, it was gradually carried on throughout the whole kingdom. Besides serving as the circulating medium in the ordinary business transaction, it became the authorized payment of taxes, duties, assessment and the like. Should the note become obliterated or worn-out, it could be changed for a new one: while the old one bearing distinguishable signs could still be converted in full value. But the amount of forgery, in addition to that of unreserved issuing, increased unrestrainedly: and within a period of less than seventy years, the whole amount accumulated was more than three billions: for which it was impossible to provide sufficient reserves. The suffering and despair due to the unconvertibility of the notes cannot be imagined, and henceforth the financial condition of the Sung Dynasty went from bad to worse.

The Early Days Of Paper Money

The celebrated Kublai Khan, we are told, was once informed by his chief counsellor that according to the "subtle mysticism" such a nomadic tribe as the Mongols ought not to adopt any metallic coins, lest it might mar her national prosperity. So ever since then, the soft money took the place of hard coins. Wu Tsung did once renew the coinage, but was cut short by his decease the next year. The early history of paper money of the Yuen Dynasty is unknown. The so-called "Chiao-chiou" (convertible notes) made its first appearance in the year 1273. It was printed on silk, with eleven different grades (from two "chên" to one tael). Here and there along the route were established treasuries to deal with its issuing, and the worn-out ones were to be seized and burned. Towards the decline of the reign of Zen-ti, the premier Turtur intended to rearrange the currency system: so an assembly was held to discuss the affair. Among many complaisant members, Lu Sze-chun stood alone as the intractable opponent. He resisted any alternation and argued violently that soft money and hard coins should never have existed. When he was asked to state his own opinion concerning the renewing of coinage, he pertinaciously adhered to his resolute objection. "I cannot but leave three words now," retorted he, "the first is 'no', the second is 'no', and the third is also 'no'". In spite of his strong opposition, the renewal of coinage was at length adopted, and the following year the new coins once more appeared in the market. Nevertheless, its ephemeral life could only extend for a few years, as it was ere long cut off by the down-fall of Yuen Dynasty.

Accustomed to the use of paper money during the good old times, the people at the beginning of the Ming Dynasty felt it inconvenient to adopt metallic coins. So there was a high demand for paper money. Late in the seventh year during the reign of Ming Ta Chu (1368-1398), the so-called "Pau-chiao" (precious notes) first came to be issued in six different grades (from 100 "chên" to 1000 "chên"). A "Chartered Bureau" in the nature of a bank was once established in the "Eastern Market" to transact its issuing. But the natives of Southern China still look down upon the value of paper money where a "Pau-chiao" with a face value of 1000 "chên" sometimes was worth only 160 coins. Hence the government laid much stress on prohibiting the use of gold and silver as the circulating medium. The only perpetrator, a peasant of Kiangshao who, being ignorant of the prohibition, used silver as a decoration in his father's funeral, fortunately obtained special pardon for the sake of his filial piety. It was further prescribed that the purchasing of salt (which was also one of the government monopolies) must be paid in terms of "Pau-chiao": whereas the interruption of its circulation would be considered as one of the most severe crimes. But eventually all these efforts bore no fruit; and

(Continued on Page 36)

CHINA'S LARGEST LIBRARY

(Continued from Page 28)

There are a number of research rooms where scholars or students may bring their own typewriter and even a stenographer. The buildings include a restaurant open to the public, and a modern ventilation system. The book shelves have a capacity for 400,000 volumes. Special mechanical belts run by dynamos carry the books between the counters and the shelves.

The entire structure, although wholly of steel and concrete, is in the Chinese style of architecture modified to meet modern needs. The site, given by the government, overlooks the Northern Lake of the Forbidden City, which was one of the Empress Dowager's favorite recreation spots. This view also includes a camel's back bridge whose arch makes a perfect circle in the water, as well as a historic white pagoda which stands on top of a terraced hill, on the sides of which are temple structures.

Two enormous carved columns rescued from the old Summer Palace, each weighing 35 tons, stand at the main courtyard. A single team of 35 horses were required to help move one column without its base. Two huge stone lions guard the entrance, and these weighing 20 tons each also come from the old Summer Palace. In the middle of the central stairway is a "spirit path" carved in the form of dragons, with stops on either side. The ceilings contain inset panels about 1½ feet square, with symbolic paintings designed under the direction of Mr. Chu-chien, famous scholar and former Minister of the Interior. A number of artists and craftsmen who were employed to work on the library received their training in the imperial days, in building and beautifying palaces in and outside the Forbidden City.

Actual Work in Hands of T. L. Yuan

The nominal director of the library is Dr. Tsai Yuan-peí, a member of the Central Executive Committee of the government. The actual work is in the hands of the acting director, Mr. T. L. Yuan, (Yuan Tung-li) a graduate of Columbia University in New York. He was librarian at Tsing Hua before he went to Columbia, and after his graduation in America he took special training at the New York State Library School, the best institution of its kind in America for the training of librarians.

Care has been taken by the sponsors to keep the library free of political or military influence. The director, appointed by the Ministry of Education at Nanking, must be recommended by a board of managers of the library, a self-perpetuating body of nine Chinese including the director and acting director.

Special exhibitions of maps, charts and the like will be held in the wings, and there also is an exhibition room for rare books and other similar materials. The multitudinous steel book racks were all made in Tientsin, the largest order of its kind ever to be put in China. Until now all such material had to be imported from abroad.

Work was started in September, 1928, but was halted twice for four-months' periods due to winter weather. The library was designed by Mr. V. Leth-Møller, a Danish structural engineer, formerly with the construction bureau of Yenching University. He won the competition for the best architectural drawing and automatically was appointed to do the building.

LOCAL MERCHANTS RECOMMEND IMPROVEMENT OF CUSTOMS JETTY

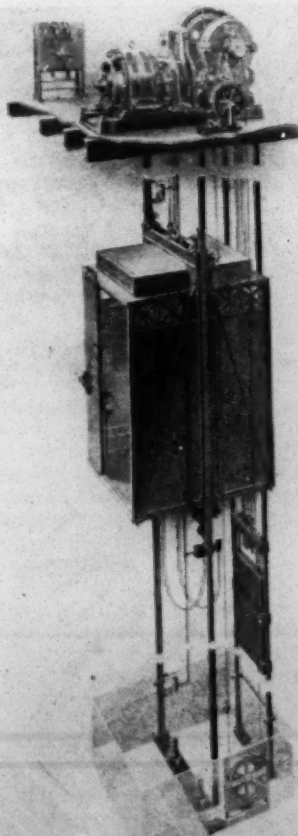
Recommendations for better facilities at the Customs Jetty have been tendered the Shanghai Municipal Council by the Shanghai Chinese General Chamber of Commerce, it is reported in the *China Press*. The Chamber's memorandum states that the present accommodations for arriving and departing passengers are inadequate for the constantly increasing number of tourists and visitors to Shanghai. A new building should be erected at the jetty in order to relieve the present over-congestion. There should be more waiting rooms for those awaiting arriving passengers and covered gangways to the piers, while the establishment of restaurants, barber shops, tourist agencies, and red cap service is also recommended. For the immediate improvement of the conditions at the Jetty, the Chamber specifically recommends: examination rooms large enough for people to keep one another at arm's length, a separate enclosed rack for handling passengers' bags and regulations calling for softer prods than bamboo poles as now used by the baggage coolies. Better facilities for policing the area are also suggested. It is understood that the Council authorities and the Commissioner of Customs are considering the recommendations.

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POSSIBLE CONTRIBUTIONS TO AGRICULTURAL CHINA

(Continued from Page 25)

the 20 cents difference being the graft on the part of the tax collectors. In addition, there is the graft of legitimate taxes which are not turned into the magistrate's office by the tax collectors.

The government of China would have a smaller financial problem if the taxes paid by farmers reached the government. Radical reform is necessary and with improvement in taxing methods, taxes should and could be reduced since they are as high as those paid by American farmers but the return in practical benefits is practically nil.

Only one other problem of outstanding importance will be mentioned. One hears and reads a great deal about the vast amount of arable uncultivated land in the northwest of China. The statement has been made more than once recently that 500,000,000 acres of land are only waiting for the plow to bring forth abundant harvests. This is over two and one half times as much as the cultivated land now reported in China. Such a figure is very fantastic and has no basis of known facts. No one knows the amount of arable, uncultivated land in China and our ignorance only emphasizes the need for careful studies to ascertain the potential cultivatable land. The danger is, that because there is much unsettled land, especially in the Northwest, people will assume that a large share of it will grow crops even without water. Those familiar with farming just east of the Rocky Mountains in the United States know that there have been successive waves of migration to, and retreats from, those wide expanses of land which with rain give good crops but which receive rain too infrequently to make possible an agriculture which will support a farm population continuously.

The determination of the extent of arable land in the Northwest of China requires careful studies by engineers, agronomists, meteorologists, soils experts, geologists and agricultural economists. No program of colonization should be initiated until facts are obtained by such specialists. Any other program may mean the loss of much government money and ruined hopes and much suffering on the part of misled settlers.

Only a few important problems of agricultural economics have been mentioned. This significance to the welfare of an agricultural nation, such as China, is self-evident, and it can only be hoped that the National Government will soon realize that the "livelihood of the people" can be improved as quickly by reform in the field of agricultural economics as in other fields of agriculture and, curiously, as much as by the industrialization of the nation. The Central Institute of Agricultural Research has an exceptional opportunity to demonstrate how quickly substantial improvement can be accomplished by scientific research used in the problems here discussed.

RECENT FORESTRY PROGRESS IN CHINA

(Continued from Page 26)

throughout the country have done splendid work in stirring up a general forestry interest especially among the common people in the different hsien.

Perhaps the one thing that has been responsible more than anything else for the present intense, nation-wide forestry interest, was the creation, in 1930, of a week, known as the 'Memorial Forest Week' (March 11th to 18th) in commemoration of the death of Dr. Sun Yat-sen, which took place in Peiping on March 12th, 1924. The week so established has now come to stay as such. Although it is a memorial week, yet during the week the whole nation is reminded of the importance of 'Tsao lin' (afforestation) by organized intensive campaigns conducted by means of illustrated lectures, pamphlets, handbills and actual demonstration planting on the hills and mountains. It is generally more than an 'Arbor Day' affair, and one can well imagine the amount of attention and enthusiasm that is stirred up by such organized campaigns, lasting as they do for a period of seven days.

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Forest Education

Forest education is almost as old as the Chinese Republic itself. It began when Shantung Provincial Agricultural College first introduced forestry courses into its curriculum of agricultural and sericultural subjects. The step so taken in Shantung was soon followed by other provincial agricultural colleges. At that time, however, the so-called agricultural colleges were merely of high school standard, and moreover the adding of forestry courses to their curricula was done in a haphazard manner without any definite policy on the part of either the Central or the Provincial Government.

It was not until 1915 when the Ministry of Agriculture and Commerce established the so-called 'Sen Lin Chuan Sih So' (meaning Forestry Training School) in Peking and enrolled students from Anhwei, Shantung, Kiangsu, Chihli, Yunnan and other provinces, that a definite and substantial start was made in forest education in China. This Training School, however, did not last long, for immediately after its reorganization, all the students of the School were sent to Nanking University () where a forestry department of college grade had been established with Mr. Joseph Bailie and the writer in charge, using Purple mountain () as a laboratory for field work for the students. The growing interest in forestry at the time prompted other universities and colleges to follow in the footsteps of Nanking University. Lingnan University in the south, Peking Agricultural College, Honan Agricultural College, Shansi Agricultural College, Chihli Agricultural College, Kiangsi Agricultural College, Hunan Agricultural College and Kwangtung Agricultural College, all followed one another in establishing forest departments or courses in their curricula. Even the Cha Chun (A grade) agricultural schools in the different provinces took an interest in forestry education, for many of them introduced elementary courses into their curricula. So up to 1923 or thereabouts, there were throughout the country altogether 10 Colleges and Universities offering forestry courses, while as many as 74 Cha Chun (A grade) agricultural schools included in their curricula some elementary courses in general forestry, silviculture or nursery practice.

Such a rapid growth in forest education was in some respects quite phenomenal. But unfortunately however there was not sufficient preparation made for sustaining such a growth. Due to the lack of funds, equipment and textbooks, and the scarcity of teachers, most of these schools and colleges were forced to discontinue their forestry courses, although some of them had actually started such courses for only a year or so. So until today, with the exception of Nanking University, Peiping Agricultural College, Central University Agricultural College (Nanking) and Chekiang Agricultural College, which maintain a regular college course in forestry and a few provincial agricultural colleges which offer some special courses, either as required or elective, we may say that all other colleges and schools have either temporarily or permanently dropped their forestry work.

While there have been interruptions and changes during the last two decades or so in the development of forest education, it is gratifying to note that the number of graduates from the various schools, colleges and universities has been sufficiently large and constant, and as far as the performance of the different types and grades of forestry work in the country is concerned, these graduates have undoubtedly done their part. They have succeeded in stirring up a nation-wide forestry interest, and they have won public recognition for their profession.

It must be remembered however that public interest or recognition is something that will not last unless properly supported by practical work. Chinese forestry today may be said to be passing out of the pioneer stage of public agitation into the permanent phase of the practice of the profession. The Chinese foresters will have to avail themselves from now on of the splendid support of public opinion which they have won, and devote themselves unreservedly to the actual work of planting on the hills and mountains and of showing the people the direct and indirect value of such plantations. The task is going to be a difficult and stupendous one, because it involves a huge area and requires such an amount of work, perseverance, and self-sacrifice on the part of the foresters, but it is sincerely to be hoped that during the next ten or twenty years another chapter of greater progress still can be recorded.

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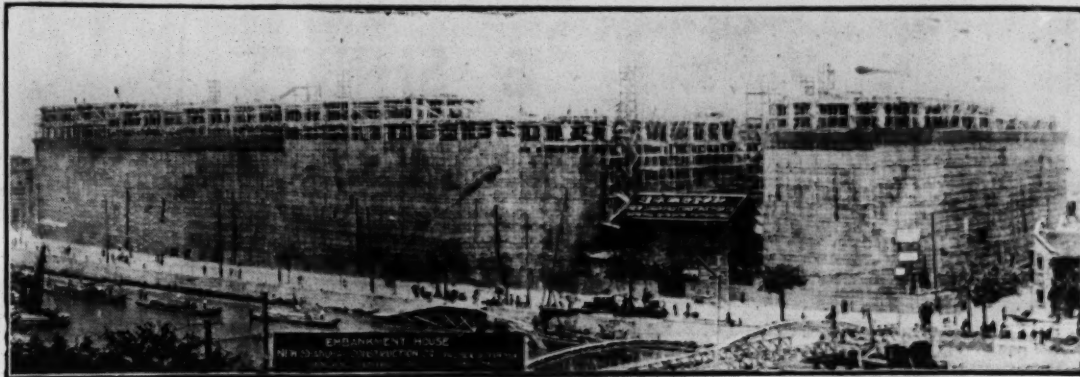
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CHINA'S PAPER MONEY

(Continued from Page 32)

up to the reign of In Tsung (1436-1449), these "precious notes" were hardly worth a "cash".

However, the issuing of paper money in the Ming Dynasty attained great progress. Never before did the government pay so much attention to the printing and the choosing of paper material. The failure of "Wei-tse" in the Sung Dynasty was due to the inferiority of paper material which rendered forgery easy. The Mongol rulers prescribed no proper regulation in regard to the form and size of "Chiao-chiou" and left much to be desired. The issuing of "Pau-chiao" marked a new epoch in the history of Chinese paper money. The paper was made from the pulp of mulberry; hence known as "mulberry paper". It was thick and durable, being green in color. The size of the note decided on was about 10 by 6, with large and clear printing. Such kind of paper may seem today unsuitable for paper money, but at the time of the fourteenth century, the "mulberry paper" was the best quality available in China.

Should the issuing of paper in China have been carried on continuously up to the present the Chinese common conception towards banknotes might be different from what we now have had. The Ch'ing Dynasty suppressed the adoption of paper money; and so for hundreds of years, the metallic coins alone served as the circulating medium in China. It was not until of late years that the Chinese banks, influenced by the foreign banknotes, began to issue paper money.

CHINA'S RADIO PROGRESS

(Continued from Page 23)

The C.G.R.A. offers all classes of service of other international communication companies: Rush, or Urgent, ordinary, and half rate deferred. In addition radio's innovation in trans-oceanic messages, the Radio-Letter or Night-Letter, is offered on most of the circuits. This is a deferred service at about one third the ordinary rate. This is in no way detrimental to full-rate traffic, however. The equipment is fully adequate so that there is no delay due to piling up of message traffic.

Radio communication has managed to overcome many of the handicaps of older methods of communications. It is the modern method of conveying intelligence. The low capital investment necessary has allowed of astounding

reductions in rates for trans-oceanic messages. This reduction has been made during times of inflation and increasing costs for materials, labor, and all commodities. These reductions have been world wide. It has the inherent advantage of not being physically connected between two fixed points. Destruction of one terminal does not put the circuit out of order, as equipment can be used to communicate with points other than those regularly used. Older communication systems which depend on wire or under sea connections between terminals have limiting speeds of transmission dependent on the physical constants of the circuit. Increasing this speed requires new and additional equipment, often making the total cost twice the original investment. As increases in traffic require, a radio circuit can be made to operate at higher speeds with only slight additional investment.

The use of the highly technical beam transmission, and the comparatively high word per minute speeds attained direct in most cases to the country of destination have made indeed a deep impression on the business world in its telegraphic correspondence.

China is no longer bound, no longer handicapped, is no longer cutting its teeth in the field of rapid International Communications, but has attained that stage of development when a man's clothes and a man's work are in order.

GOVERNMENT BONDS DECLINE UNDER BEAR OPERATIONS

An average loss of more than three points in the Chinese Government bond market for the week ending Dec. 11 occurred as a result of mixed developments in China's internal and external affairs abetted by the freedom of action restored to by "bear" speculators, according to the weekly bond market report issued by Messrs. S. D. Wang and Company.

Rehabilitation bond leads the list of the loan issues with a loss of 5.15 points; closing at 38.50 they are only .80 of a point from bottom. Sustaining a loss of 4.60 points, 19th Year Customs also are .80 from the lowest level. Twentieth Year Customs were next hardest hit, dropping 4.30 points to remain 1.60 points above the minimum. Salt Revenue did not lose more than 3.00 points, probably because it would be resting on bottom if it had been weighted with an added loss of .80 of a point. All other issues are from 1.30 to 3.70 points to the good. The entire week's turnover amounted to \$24,000,000.

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CONSTRUCTION WORK IN CHINESE CITIES

(Continued from Page 26)

on four zones—political, educational, industrial and residential. The old Ming Palace and the district near the Purple Mountain where Dr. Sun Mausoleum is located is chosen as the political center. The Municipal Government center will be built between the present Tai Chung Ting and Wu Tai Shan, northeast of the famous Nanking-Drum Tower. It is proposed that the Government build houses for three different classes of people—the government employees, the people whose lands were taken by the public for road building, and the poor people of the city. Consequently the location of residential districts will be scattered in different places according to the occupation of the people. A network of highways and various offices are planned and as estimated the entire cost of the plan will be in the neighborhood of \$51,800,000. It is reported that the fund will be raised by different provinces of the country. In view of the rapid construction work already undertaken by the Municipality of Nanking, it is not difficult to see the realization of the entire plan in the near future which will no doubt give China a most up-to-date capital.

Nanchang

In Nanchang, capital of Kiangsi, one finds much constructive work done. First and foremost, the city wall of Nanchang was torn down by the end of 1929 and a motor road around the city in place of the wall was built. The entire expenses was reported to be \$120,000. The other piece of construction work of the city is the completion of Chung Shan Road in memorial of Dr. Sun Yat-sen with a length of 6,400 feet and a width of sixty feet. Underneath the road a complete system of sewage was built, which solves a great deal of the general health problem of the city. The expenditure of this road and sewage is \$125,400. The work was completed in 1929. Another road around the city was built with a length of 5,131 feet and a width of sixty feet at a cost of \$73,400 which was completed by July, 1929. Two public market places are under construction at a cost of \$7,590. Other works, such as the building of Nanchang bund with a length of 1,700 feet and another four roads

with a total length of 17,700 feet are under construction. These roads and the bund will cost a total of approximately \$1,500,000. As to the projected plans of the Bureau of Construction of Nanchang Municipality the following may be mentioned:—(1) A general sewage system of the city, (2) Chung Shan Park in memorial of Dr. Sun Yat-sen, (3) two other roads with a length of 5,000 feet, and (4) the new Civic Center.

Hankow

When one travels further up Yangtze River, one reaches Hankow, the biggest port of Central China. In this city no less than nine new roads were completed with a total length of 8,000 meters at a total cost of \$250,000. The roads under construction measure a length of 3,368 meters. To those who have been in Hankow, the beautiful drive along the Hankow Bund is a very pleasant pastime in the extremely hot summer days of Hankow. At present one can drive directly from the western end at the Japanese Concession to the China Merchants' Wharves in the Chinese city. A sewage system is under construction, of which more than 858 meters of the entire system was completed. Chung Shan Park (Dr. Sun Memorial Park) was completed also with beautiful garden, play grounds, and lake. Not only these public constructions, Hankow has witnessed in the past three years a rapid construction of hotels, department stores, etc. which is estimated at a total cost of \$2,847,366.

The above account is not intended to be comprehensive nor does it include all the cities of the country. It is merely a brief summary of the constructive works actually done in a few cities visited by the author in the early part of this year. It is interesting to point out that in all these cities a plan is drawn for the development of residential, commercial, industrial and political districts. Roads are the main piece of work undertaken by most of the cities, and a sewage system is being built. In these cities, there are Chung Shan Roads, Chun Shan Parks, Chung Shan Hospitals, etc. in memorial of Dr. Sun Yat-sen, our late leader. If not to mention the other contributions of Dr. Sun in the remaking of a new China, the building of these roads, parks, hospitals, etc. as inspired by Dr. Sun and in memorial of him, have a great deal of significance for the general development of the well-being of the people.

IN THE FIELDS OF FINANCE AND RECONSTRUCTION

Nanking Issues New Currency Loan of \$80 Millions

By a mandate issued on Dec. 12, the National Government promulgated a set of regulations governing the issue of a new loan of \$80 millions, to be known as the "20th Year Short Term Currency Bonds." Bearing interest at eight percent (8%) per annum, the bonds will be issued at 98. Interest payments will be made semi-annually on April 5 and October 15. The entire loan is to be redeemed within seven and a half years by semi-annual drawings, in April and October. The loan will be secured upon the German Boxer Indemnity Refund. Amounts required to meet bond commitments will be remitted monthly by the Inspector-General of Maritime Customs to the Central Bank for account of the Sinking Fund Committee.

The new bonds will be bearer bonds and will be issued in three denominations of \$5,000, \$500 and \$50.

290 Building Permits Issued by Greater Shanghai Municipality in November

Two hundred and ninety permits for the construction of new structures covering a total area of 72,000 square meters and estimated to cost \$2,430,000 were issued by the Bureau of Public Works of Greater Shanghai Municipality during November, according to a report in the *Shanghai Evening Post*. The number shows an increase by 51 permits as compared with that of October and is twice as large as that of the corresponding period of last year. In the total area to be occupied by the new structures, the November figure is the third of the year, while in estimated value of the new structures, it ranks second on the list of 11 months of 1931. Nineteen permits for demolition of old houses were issued by the Public Works Bureau during November. A total of 220 permits for repairing and 227 permits for miscellaneous works was also issued. Nantao continues to lead the other districts in building activities. 91 of the total 290 permits for construction of new structures were issued for this district: Chapei is second with 77 permits while Hungjiao district is third with 52. Residential buildings lead in the type of structures for construction, about one-third of the permits being for said type. The demand for dwelling houses is attributed to the continuing influx of people from the interior.

Japan's Trade with China During November Reaches Lowest Level

According to an official bulletin issued by Japanese Ministry of Finance on Dec. 15, Japan's trade with China during the month of November recorded the most significant decrease ever witnessed in recent years. The bulletin states that the exports to Manchuria and Mongolia, and China Proper amounted to only 4,774,000 yen as against 20,508,000 yen for the same period of last year,—that is a fourth of a year ago. To make the balance unfavorable to Japan, the imports made an increase by 758,000 yen to 10,916,000 yen. As a result the trade balance was in favor of imports to the amount of 5,640,000 yen, contrary to that of a year ago when it was in favor of exports to the amount of 16,490,000 yen.

The grand total of the exports of the current year to date is 246,844,000 yen as against 372,183,000 yen for the same period of the preceding year. That of imports is put at 216,289,000 yen as against 262,741,000 yen for the corresponding period of last year. The excessive exports over imports total 30,555,000 yen against 109,442,000 yen of preceding year.—Rengo.

New Air Service Inaugurated in North Manchuria, Rengo Reports

A *Rengo* dispatch from Harbin dated Dec. 8 reported that a Sino-Japanese joint air transportation company has been established in Harbin for the purpose of inaugurating a new air service linking Mukden, Harbin and Tsitsihar. The service made its first test flight on Dec. 9. According to the schedule, the flight between Mukden and Harbin will take 3 hours and 10 minutes, while the flight between Harbin and Tsitsihar takes an hour. The route of the new service may be extended to Peiho in the future.

Modern Shop Buildings to Rise on Range Road Site Next Spring

A group of about 170 shops and dwellings of modern Chinese type are being erected at Range and North Kiangsi Roads and will be ready for occupation early next April. The new buildings are owned by Yah Loh Realty Company. The entire project will cost \$370,000. The houses are divided into two rows with North Kiangsi Road in the center. The street is not yet paved, but the Municipal Council is expected soon to start construction of the thoroughfare. Facing North Kiangsi Road will be two rows of shop buildings, each three stories in height. Behind the shop fronts, will be two-story dwellings. The Municipal Council in building this section of North Kiangsi Road, between Haining and Range Roads is completing a road building plan designed to improve traffic in the West Hongkew district.

Finance Commission Recommends Drastic Cut in Government Expenses

The newly organized National Finance Commission at Nanking has recommended a drastic curtailment of the Government expenses in order to carry out the retrenchment policy of the Government. In compliance with the recommendation, it is understood that the Ministry of Finance has drafted a detailed plan for its application which is now being considered by the Commission. As a result, all appropriations for the various organs for the previous month are being temporarily withheld until their respective quotas have been fixed and approved by the Finance Commission.

Japan's Budget for 1932 Leaves a Deficit of ¥172 Millions

According to a *United Press* dispatch from Tokyo on Dec. 7, the Japanese Government Cabinet Council at its regular meeting on the same day approved the 1932 budget as outlined by Mr. J. Inouye, the Minister of Finance. The budget provides for the expenditure of ¥1,479,900,000, while the revenue is estimated at ¥1,307,800,000 leaving a deficit of ¥172,000,000. The Cabinet Council approved also the plan of the Finance Ministry to issue bonds in the amount of ¥132,030,000, to help meet the budget deficit. Tax increases and high tariff schedules are expected to raise additional ¥40,070,000.

Nanking Adopts Measures to Steady Bond Market

For the purpose of strengthening the government bond market the Ministry of Finance is understood to have adopted the following two measures: 1. Transaction in government bonds shall hereafter be conducted on cash basis, while cash deposits for forward dealing are to be abolished and 2. The prices of the various issues on Nov. 24, shall be regarded as the bottom and transactions shall instantly be suspended whenever prices drop below that level.

Finance Ministry Issues Rules Limiting Export of Silver

According to a *China Press* report from Nanking on Dec. 10, the Ministry of Finance has promulgated the following measures limiting the export of silver dollars:

1. Any authorized bank, which is a member of the Bankers' Association and which intends to facilitate free circulation of cash between its branch or member banks, is permitted free export of silver dollars.
2. Export of silver dollars by exchangers to their branches or to other banks is to be prohibited temporarily.
3. Those who are being utilized to create financial disturbance or those who are allured by some slight profit will be seriously punished upon discovery of attempts to smuggle silver to other places.
4. Permission will be given to the Bankers' Association and the Money Exchangers' Association to conduct investigations from time to time into attempted smuggling by private individuals or groups designated under the above condition and to report the same to the local customs authorities for severe punishment of the violators.

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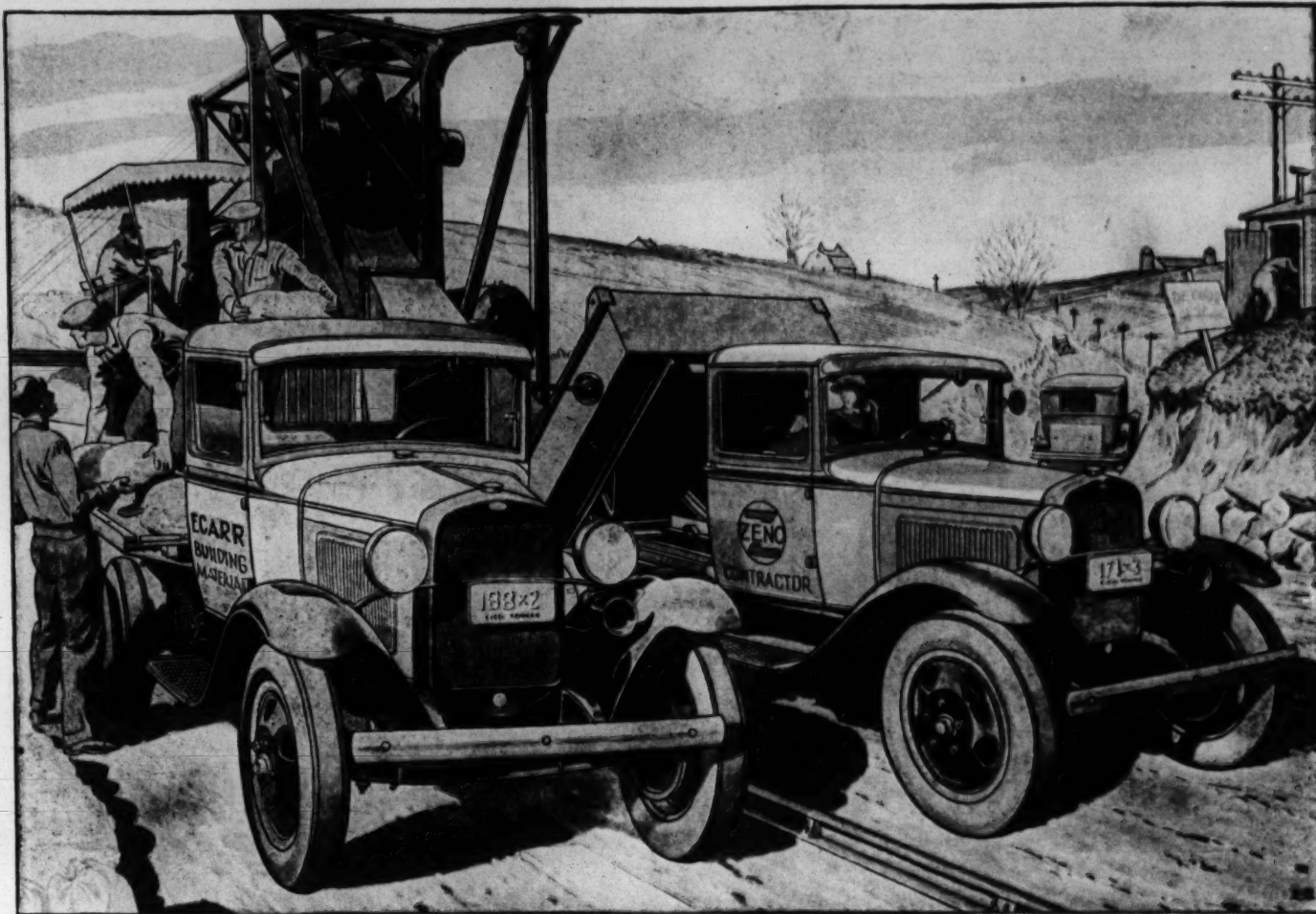
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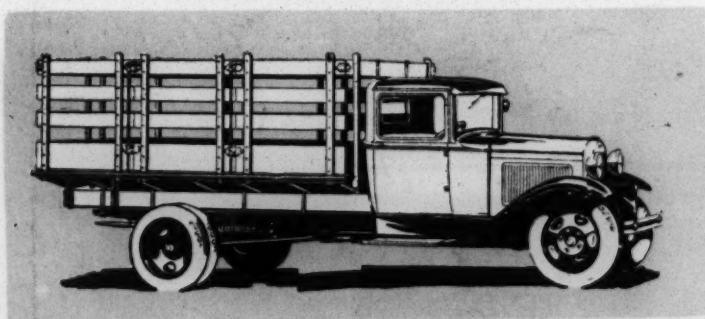
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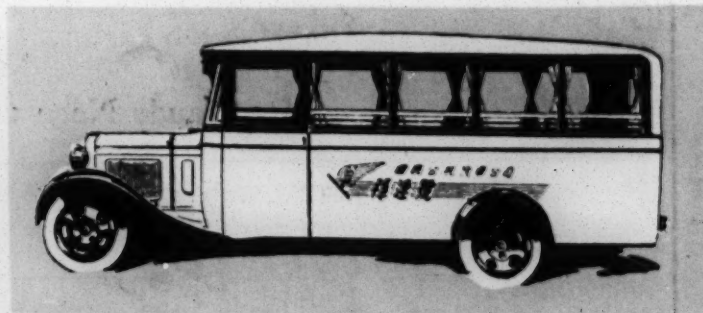
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